

pulp item, and this morning I told the Senator from Nebraska that I would like to have him take an interest in it, and he told me he declined to do so because of the fact that he is the owner of a newspaper, and he said it would not be becoming in him to do so.

Mr. HARRISON. May I suggest that I notice by the RECORD that the late Senator Frye, while a Member of the House, declined to vote on a proposition touching a railroad because he had some interest in a railroad. The precedent has been long established.

EMPLOYEES OF THE INDIAN SERVICE.

Mr. SPENCER. Mr. President, the bill (H. R. 9814) amending the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service, is a bill extending the time in which men in the Indian Service may be given an educational leave during the summer from 15 days, as the law now is, to 30 days. The Indian Bureau think it is very essential that the bill, which is a House bill, should be passed, in order that they may avail themselves of it during this summer. I ask unanimous consent for the consideration of the bill.

The PRESIDENT pro tempore. The Secretary will report the bill for information.

The reading clerk read the bill.

The PRESIDENT pro tempore. The Senator from Missouri asks unanimous consent for the immediate consideration of the bill. Is there objection?

Mr. DIAL. Mr. President, it seems to me that would establish a bad precedent which might be extended, and I shall object for the present.

The PRESIDENT pro tempore. Objection is made.

MAHONING RIVER DAM.

Mr. WILLIS. I ask unanimous consent to report favorably from the Committee on Commerce, with amendments, the bill (S. 3783) granting the consent of Congress to the city of Warren, in the State of Ohio, its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio, and I submit a report (No. 844) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. WILLIS. I now ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The first amendment of the Committee on Commerce was, in section 1, page 1, line 7, after the name "Ohio," to strike out "in accordance with the provisions of the act entitled 'An act to regulate the construction of dams across navigable waters,' approved June 21, 1906, and amended by the act of June 23, 1910," and to insert a colon and the following proviso:

Provided, That the work shall not be commenced until the plans therefor have been filed with and approved by the Chief of Engineers, United States Army, and by the Secretary of War: *Provided further*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity.

The amendment was agreed to.

The next amendment was, on page 1, to strike out section 2 in the following words:

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

And in lieu thereof to insert:

Sec. 2. That this act shall be null and void unless the actual construction of the dam hereby authorized is commenced within one year and completed within three years from the date hereof: *Provided*, That the consent hereby given shall terminate and be at an end from and after 30 days' notice from the Federal Power Commission or other authorized agency of the United States to said company or its successors that desirable water-power development will be interfered with by the existence of said dam; and any grantee or licensee of the United States proposing to develop a power project at or near said dam shall have authority to remove, submerge, or utilize said dam under such conditions as said commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam if the water level to be maintained in said power project is higher than the level of the crest of said dam.

The amendment was agreed to.

The next amendment was to add the following additional section:

Sec. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. BRANDEGEE. Mr. President, in section 2 of the bill there is a provision that the bridge shall be begun within one year and completed within three years "from the date hereof."

What is the date hereof? Does it mean from the passage of the bill or what does it mean?

Mr. WILLIS. That is a matter of opinion, I suppose, but undoubtedly it would be the date of the enactment of the law and not the passage of the bill by the Senate.

Mr. BRANDEGEE. If the question of forfeiture came up, it would be absolutely vital to know.

Mr. WILLIS. I may say to the Senator from Connecticut that the language was suggested by the War Department. I think it is not very clear, but evidently it means the date of the passage of the act.

Mr. BRANDEGEE. If the Senator is satisfied with it as it reads, very well.

Mr. WILLIS. I am satisfied and the War Department is satisfied.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, August 2, 1922, at 11 o'clock a. m.

SENATE.

WEDNESDAY, August 2, 1922.

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

VIEWS OF SENATOR KEY PITTMAN.

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type a brief interview with the able Senator from Nevada [Mr. PITTMAN], published in the Santa Fe New Mexican on July 15, 1922, presenting a forceful and interesting discussion of political topics.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From the Santa Fe New Mexican, July 15, 1922.]

POVERTY, DISTRESS, DISORDER, VIOLENCE, FOUR HORSEMEN OF HARDING REGIME, SAYS PITTMAN—REPUBLICANS HAVE MADE MESS OF THE GOVERNMENT, DEMOCRATS TO BE SWEEP INTO POWER, SAYS NEVADA SENATOR; RAILROAD LEGISLATION COMPLETE FIZZLE, ALLEGES—BONUS A FIASCO.

ACHIEVEMENTS OF G. O. P. AS SEEN BY SENATOR PITTMAN.

Foreign relations left in chaotic condition.
Our foreign commerce—there is none.
Millionaires' taxes reduced; poor people pay.
The H. C. L. still is a terror.
Transportation charges increased.
Outrageous discriminations.
Perpetuation of long and short haul "outrage."
Destruction of all State control over intrastate commerce.
Producer and consumer are starving together.
Harding, Mellon, and Wall Street keep the soldier from bonus.
The four horsemen of the Harding administration are:
Poverty,
Distress,
Disorder,
Violence.

Republican management of the affairs of the Nation has been a failure, declared United States Senator KEY PITTMAN, of Nevada, in an interview to-day.

"I look for a Democratic House as the result of the coming fall election," he added, "as a rebuke to Mr. Harding and his administration; as a rebuke to the Republican Government in the saddle for two years before Harding took office; as a loud protest against the 'four horsemen' of the Harding administration: Poverty, distress, disorder, and violence."

Senator PITTMAN is up for reelection to the United States Senate this fall. He says that he expects to win, and he looks for a Democratic wave all over the country.

"These are bad days," he continued, "with coal walkouts, with railroad shopmen striking, with so much of the after-war misery, with so many hundreds of thousands out of work, with so many pledges broken, promises unfulfilled, and brilliant visions of happiness, progress, and prosperity changed into a mirage of plain chaos."

HINTS AT REVOLUTION.

"There may be a revolution in this country some day. But it will not come from present labor troubles and present poverty, in my opinion. If there ever is a revolution in this country, I think it will be brought about by the people and for the people who finally realize that they, the people, no longer rule; that men are put on the tickets and elected by money."

G. O. P. FOUND WANTING.

Senator PITTMAN said that he believes the coming fall elections will sweep enough Democrats into the lower House of Congress to make it Democratic "because the Republican Party and the Republican President have been tried and found wanting." He discussed the situation as follows:

"The Republican Party was placed in the control of both branches of Congress four years ago on certain definite pledges to the people. The members of this party excused themselves before the people for failure to fulfill these pledges for the first two years, saying: 'We could do nothing without a Republican President.'"

"The Republicans pledged to the people that if put in complete power by the election of Harding they would reestablish our foreign relations and foreign commerce as they existed before the Great War.

"They have failed absolutely. Our foreign relations to-day are in a most chaotic condition—more chaotic than they ever were in peace times, and as for foreign commerce—we have none. We have no market for our surplus products.

TAXATION.

"The Republicans promised to reduce taxation. They have not even attempted to reduce taxes. They have reduced some of the higher taxes on millionaires' incomes and transferred these taxes to the poor people. So much for the fulfillment of Republican pledges on taxation.

REDUCING THE HIGH COST OF LIVING.

"Now for another pledge. The Republicans promised to reduce the high cost of living, and what have they done? They have not even attempted to carry out that pledge or promise. The wages of a man with a family to-day will hardly keep that family decently. The purchasing power of the dollar is still low. Ask the average clerk in a city like Washington, D. C. Many of the clerks there get \$100 a month. They have to pay \$50 a month rental for a small apartment of about three rooms and a bath. Consider for a moment the struggles of a married man with a family to pay board, clothes, doctor, and dentist bills on \$50 a month. The high cost of living is still a terror to the poor man on a small salary—especially when he has a family."

THE TRANSPORTATION SYSTEM.

As regards the transportation system of the country and its reorganization Senator PITTMAN had a few words to say: "The promise was made by the Republicans that they would reorganize the transportation system of the country and bring about a reduction of transportation charges," he said. "But the Republicans since they have been in power have made no effort to reduce the transportation charges except through the Esch-Cummings bill. And let me add that that bill to-day is universally condemned except by its authors, and to them it has become a source of constant apology. What is its result? Increased transportation charges, most outrageous discrimination, and a perpetuation of the long-and-short-haul outrage; also the destruction of all State control over intrastate commerce and harassment and destruction of the morale of all railroad employees. Such is the way that promise of reducing the transportation charges has been fulfilled."

THE FARMER AND CONSUMER.

Senator PITTMAN then referred to the treatment of the farmer and consumer, saying: "The Republicans promised to help the farmer and the consumer through the reduction of transportation costs." They encouraged everyone to believe that through the reconstruction of transportation the producer and the consumer might live and prosper at the same time. The result really is this: The producer and the consumer are starving at the same time. They have seen no advantage of Mr. Harding's administration.

VICTIMS OF PROSPERITY.

The Senator from Nevada said that the Republican spellbinders and the Republican writers had enthused the American people with "visions of prosperity," but, he added, "The smoke of the election has blown away; the people see they have been deceived—at least I think they will say so in November. And now, instead of those visions of prosperity they are confronted with the 'four horsemen' of the Harding administration—poverty, distress, disorder, and violence. All four are the result of this new management of the Nation's affairs."

AS TO THE SOLDIER BONUS.

Senator PITTMAN was most sarcastic concerning the fulfillment of the pledge to the soldiers on the bonus question. He said, "The Republicans promised the ex-soldiers—they called them 'the soldier boys'—that if Harding was elected they would be taken care of by a readjustment of their compensation. This readjustment was to be worked out like that for civil Government employees who had their compensation increased and adjusted.

"Now, this is the way the bonus bill has been 'adjusted' for the soldier. Every time it has come out of committee it has come as a result of the force applied by the Democrats. Every time this bill arrived on the floor to start adjusting its workings to the tired ex-soldier it has been forced back into the committee room, there to be smothered in a dungeon by Republican votes. An extraordinary way of adjusting itself to the ex-soldier.

"Why has this been done? Why has the bill been smothered? Because of the demand of President Harding, back of whom is the demand of the Secretary of the Treasury Mellon, back of whom is the demand of Wall Street. That is the gist of the history of the bonus bill. The money power of the country does not desire to pay the bonus because of the taxes on that money power. It is simple enough. And so you see a Republican President is opposing this adjusted compensation and a Republican Secretary of the Treasury is opposing it and Wall Street is opposing it."

Senator PITTMAN said that the flood of money enveloping this country at the election of Mr. Harding explains why Wall Street's voice is heard and listened to.

SOUTHERN PACIFIC AND CENTRAL PACIFIC RAILWAYS.

Mr. WARREN. I present resolutions adopted by the Lions Club of Rawlins, Wyo., and the Community Club of Green River, Wyo., commending the Supreme Court finding in the case of the separation of the Central Pacific Railway from the Southern Pacific Co., and asking that Congress may not undertake to overturn that decision. I ask that the resolutions be referred to the Committee on Interstate Commerce and that the one from the Lions Club may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce and the resolution of the Lions Club of Rawlins, Wyo., was ordered to be printed in the RECORD, as follows:

Resolutions passed by the Lions Club of Rawlins, Wyo.

Whereas the Sherman antitrust act was enacted to prevent monopolies and to prevent a carrier from interfering with commerce by acquiring and controlling its competitor; and

Whereas the Central Pacific is a necessary connecting link in that general system of transcontinental transportation which handles San Francisco traffic through the Ogden gateway and forms no part of the San Francisco-New Orleans-New York route; and

Whereas the Supreme Court has held that the control of the Central Pacific by the Southern Pacific Co. constitutes a violation of the Sherman antitrust law and that it is harmful to the public interest; and

Whereas it is unthinkable that an unlawful monopoly ordered by the Supreme Court to desist from its unlawful conduct shall by legislation be declared to be lawful and be granted permission to continue its unlawful conduct; and

Whereas the continued holding of the Central Pacific Co. will place in the hands of the Southern Pacific Co. both the power and the desire to hinder and impede transcontinental traffic moving to or from San Francisco through the Ogden gateway, and enable it thereby to increase the cost of transportation and supplies to the people of the great central communities of the United States; Therefore, be it

Resolved, That Rawlins Lions Club is opposed to any and all attempts to permit the Southern Pacific Co. to retain control of the Central Pacific, and that it believes that the public interest requires the dissolution of the Southern Pacific-Central Pacific monopoly; and be it further

Resolved, That the attention of our representatives in Congress be called to the efforts which are being made to place a permanent obstacle in the way of transcontinental traffic moving to or from San Francisco over the short direct route; and be it further

Resolved, That a copy of these resolutions be spread upon the minutes of this meeting; and be it further

Resolved, That a copy of these resolutions be sent to each of Wyoming's representatives in Congress.

Approved and adopted unanimously by Lions Club of Rawlins, Wyo., this 27th day of July, A. D. 1922.

LIONS CLUB OF RAWLINS, WYO.,
By GEO. A. RILEY, Its President.

Attest:

P. H. LEIMBACH, Its Secretary.

Mr. ODDIE presented communications, in the nature of memorials, of the Chamber of Commerce of Churchill County, of Fallon; the Pershing County Chamber of Commerce, of Lovelock; the Humboldt County Chamber of Commerce, of Winnemucca; and sundry citizens and business firms of Reno, Tonopah, Golconda, Battle Mountain, Hazen, Palisade, Carlin, Deeth, Beowawe, Wells, Wadsworth, Fernley, Sparks, Mina, Luning, Eureka, Dayton, Austin, Oreana, Rochester, Imlay, Hawthorne, Lovelock, and Goldfield, all in the State of Nevada, remonstrating against the separation of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

REGISTRATION OF CERTAIN SEED.

Mr. CAPPER introduced a bill (S. 3880) to authorize the registration of certain seed, and for other purposes, which was read twice by its title and referred to the Committee on Agriculture and Forestry.

"A DEMOCRAT SPEAKS OUT."

Mr. HARRISON. Mr. President, I ask unanimous consent to have inserted in the RECORD, in 8-point type, an article which appeared in the New York Times of Sunday, headed "A Democrat speaks out." It is a very interesting article and ought to be read throughout the country.

Mr. BORAH. Mr. President, the article is very interesting; I read it, and I have been trying to find out ever since who it is that "speaks out." I do not think a gentleman speaks out when he writes an article to which he will not sign his name.

Mr. HARRISON. I may say to the Senator that I do not know who wrote the article, but there is much food for thought in it.

Mr. BORAH. There is a great deal of food for thought in it, and I should like very much to know who wrote it.

Mr. HARRISON. I can not give the Senator the information, but I am sure the Senator does not want to prevent its printing in the RECORD because I can not give him that information.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi?

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the New York Times of July 30, 1922.]

A DEMOCRAT SPEAKS OUT—A SHARP ARRAIGNMENT OF REPUBLICAN ADMINISTRATION FOR SINS OF OMISSION AND COMMISSION—"SELF-REFUTING CLAIMS OF ECONOMIES"—COMPARISON WITH "GOOD OLD DAYS" OF HANNA.

(The author of this article is one of the leading Democrats of the country.)

At a well-known club the other evening they were talking about the Fordney-McCumber tariff bill. There were some derisive remarks about the recent puppet show in the Senate, in which advocates of the bill exhibited cuckoo clocks, razors, and sundry German baubles to support their argument. One man finally remarked, "Well, I gave \$5,000 in 1920 to put the Republicans in office. I would now cheerfully give \$10,000 to put them out." Then turning to me he said, "Why are you Democrats so reticent? You are giving the Republicans too much rope. They have been doing all the talking for a year, and rather tiresome talk at that."

There are reasons for this reticence. In the first place, Democratic politicians, who look upon the alternations of party control with the cynical philosophy of the professional politician of either party, are quite content with the spectacle of leaderless confusion, forgotten promises, unrealized expectations, conflicting purposes, subsiding popularity, and general deadlock which make up the Republican picture. When a Republican Congress is pronounced by a stalwart party organ like the Boston Transcript to be incomparably bad and is described in a public address by the Republican Secretary of War as revealing the lowest depths to which congressional government has ever sunk, a Democrat may well conclude that from a partisan standpoint things are proceeding quite satisfactorily. He might naturally prefer not to deflect Republican attention, by more criticism or a discussion of issues, from this intensive effort at party suicide.

There is, of course, also the conventional theory of the rôle of an opposition party to explain the Democratic attitude. When a party has been given so overwhelming a mandate as that which the Republicans received at the last election, with its accompanying ascendancy in both Houses of Congress, effective opposition in the sense of frustrating the Republican program is out of the question. The Democratic Party may naturally conclude that its full duty as an opposition party is discharged by exposing the fallacies of Republican policy and then keeping a score card of Republican failures and mistakes. There is also a certain widely shared view that in the by-election which comes midway in the course of every national administration issues are determined largely with reference to local conditions. The reaction of the several communities to the course of Congress is not usually in accordance with broad national principles, but is rather the expression of local disappointment, or the reverse, with the course of a Senator or Representative.

In short, there is no general expectation that national issues will be broadly affirmed or clearly defined in such an election. Tendencies are revealed, of course. A state of popular feeling is disclosed, whether it be one of satisfaction or resentment, and the initial processes are set in motion which finally reveal public opinion in its decisive mood at the next national election.

NOT HAPPY OVER FAILURE.

I think it may fairly be said on the part of the Democrats throughout the country that they are not happy over the Republican failure. No man whose patriotism is worth its salt can have any feeling but one of depression, and even of alarm, at the course of the Republican administration. That President Harding and his unwieldy majority in Congress should stumble and fail in some important respects is not altogether surprising, considering the infirmities of human nature and the complexity of the problems confronting the Nation. Uniform success was too much to expect. But the Nation regardless of party did expect a sober, conscientious, dispassionate, and patriotic approach to the problems of the day. This expectation has been wholly disappointed. Instead of serious work on the part of Congress we have been regaled by interminable discussions of patronage, endless recriminations between individuals, vulgar diatribes, pettifogging speeches in praise of achievements that have not been achieved, and puerile and self-refuting claims of economies which have not happened, such as the speech of Senator McCORMICK on Republican savings.

It is a pity that men who have enjoyed contact with educational processes and who presumably have a cultivated man's sense of the decencies of debate should be guilty of such studied distortion of the facts and descend to such banalities. But such is the corrosive effect of the disease called "party" that men like McCORMICK and WATSON of Indiana, not to speak of LODGE and FRELINGHUYSEN and McCUMBER and FESS and FORDNEY, will utter the inanities that constitute the staple of their congressional speeches, under the impression that their fellow countrymen are such gulls as to swallow them whole and smack their lips over the pleasing taste of insincerity and "bunk."

THE GOOD OLD DAYS.

If I were called upon to say what ails the Republican Party, I might reply in the language which Mr. H. G. Wells used in referring some time ago to the city of Boston. "Boston," said he, "reminds me of a community which reached a state of absolute repletion about the year 1875." And so with the Republican Party. It still thinks of government as the Standard Oil Co. regarded it in the eighties, when Mr. Archbold passed upon nominations for the Federal bench, or when the American Sugar Refining Co. relied upon the party's success for immunity in certain little matters of false weights and measures in their accountings with the Government; or when the consolidated banking power of the country could prevent any practical step toward a Federal banking system unless it were controlled by Wall Street and made subservient to speculative manipulations. Those were the good old days. Those were the days of "sterling Republicans." Hanna was their prophet; Aldrich was their vicar; Taft was their chore man; Roosevelt was their naughty but repentant boy who had his good points. And the men in Washington to-day who are impersonating "best minds" are the apprentices and office boys of the old system, reverently imitating the departed and legendary figures of the bygone times, but—like every second generation, whether it be in the Vanderbilt family or the Standard Oil Co. or the Harvester Trust—not in any way the equals of the men who designed and built the machine which they continue ineffectively to operate. And so they persist in the old ways. They not only fail to understand what has happened in the intervening years but they persist in the determination to act as if nothing had happened.

What is the result? Look in any direction. It is easily perceived. Scandals galore—the civil service assailed; the dismissals in the Printing Bureau; the aborted activities of Dover, the axman; the recalled appointment of Nat Goldstein; Daugherty, mum and undefended, riding out the storm; our pill-box brigadiers; our bootlegging national merchant marine, and so on indefinitely.

In the matter of broken pledges the administration no longer defends itself. As Artemus Ward said, "If a man calls you a liar, never make him prove it," and thus, floating with other jettisoned pledges, the grandiose promise of "an association of nations" which was to supersede the league is no longer mentioned.

INDIRECT PLUNDERING.

The Republican Party promised a reduction of our taxes, but it can not forego the old Republican habit of indirect plundering for the enrichment of the contributors to its campaign fund. Therefore we have promise of a tariff worse than the Payne-Aldrich bill of evil memory. Not protection but monopoly and extortion are its objects, and the puny abatements of our taxes, if any there shall be, will be lost in the overwhelming increase in the cost of all the necessities of life. One is tempted to exclaim, in the words of the late Prof.

Thomas Davidson, once described as among the world's 12 most learned men, "Nay, man, if you believe in a protective tariff, you're in hell already, though you may not know it."

Congressional election approaches and votes are needed. What more natural than that votes should be bought? Accordingly, we have the McCumber bonus project, which contemplates laying a burden of \$4,000,000,000 upon the already bowed backs of the taxpayers. Vote buying has always been a field in which the much-vaunted "efficiency" of the only party fit to govern has delighted to display itself. The transition from bribe to bonus is a simple one. Both have the same object—votes. They differ only in degree, or rather in amount. The hapless Senator NEWBERRY spent only \$178,000, and his own money, for that matter. But there are about 400 Congressmen seeking reelection, and the bonus involves a distribution of \$4,000,000,000, which practically means spending \$10,000,000 per Congressman of other people's money. One might say of NEWBERRY, as Burke said of Oliver, "One marvels at his moderation."

Turning to labor, the situation is grave and disheartening. The postwar deflation has struck wages. The Labor Board has been called upon to act and it functions in a strictly Republican way. Dividends upon watered stock must be maintained. They can not be maintained without great inroads upon the wage fund. But the principle of the minimum wage, Republicanized, becomes the principle of the minimum dividend. And now we have the shopmen of the railroads and other sympathetic crafts threatening to tie up the Nation's arteries. This is obviously a case for scientific and conciliatory approach, but the press of the moment carries the report that the Republican expedient is not solution but militia, not justice but force, not patient examination of facts and correction but the ultimatum. And what is worse, perhaps, an ultimatum which does not speak finality, a mere feint, to cover a wavering purpose and a feeble grasp. The end is not yet.

INVOLVEMENTS AND COMMITMENTS.

In the field of foreign relations we seem content to avoid everything that savors of "involvements" or "commitments." We are in favor of peace, but only where it already exists. We will not even discuss peace in Europe where our help is sorely needed, lest perchance we find ourselves "entangled," but in the Orient we ally ourselves with the two foremost imperialisms in the world against our protégé, China, and our traditional friend, Russia. Toward the 51 sovereign and enlightened peoples who compose the League of Nations we have not made a single friendly sign. No helpful action, no stanch and friendly word, no constructive decision or endeavor is allowed to qualify or disfigure our rigid aloofness. We have drawn the protective mantle of our barrier oceans around us, thankful that we only read of Europe's distress and can not hear its cries, and persist in a state of insensate political and commercial isolation, building up our fortunes by taking in each other's washing and collecting back rent from our allies.

And so the Republican picture might be painted with multiplying and unending detail. It is grisly enough without wasting canvas.

With these grave thoughts in mind, it is not to be wondered at that the country is pretty well fed up with Marion oratory, Columbus glee clubs, "normalcy," and the "founding fathers," to say nothing of the pretty legend of steak and onion dinners at the White House.

But the hour of retribution, although it approaches, has not struck. One does not reap until the crop is grown. The Democratic Party is waiting until Republicanism loses the last of its seven veils, until all men agree as to what it is and what its noxious fruits are, and then, with unity and precision, will proceed to strike it down.

One often hears the remark that there is little difference between the Republican and Democratic Parties. This is far from the truth. The Democratic Party is in a very different state of mind from that of the Republican Party. Its gaze is up, not down. It is looking forward, not back. It feels that it is the party which has had the privilege of collaborating with one of the greatest of American Presidents. It thinks it knows the difference between his distinction of mind, his scientific grasp of administration, his inflexible courage and austere purity in the public service, his social vision, his great conception of America's rôle as the guide and helper of humanity, and on the other hand the mental and moral mediocrity of the administration which is now in power. The Democrats of the country are proud of their part in sustaining and helping forward the great policies of Woodrow Wilson.

They think America acquitted itself well in the war and are proud of the country's record. They rather prefer this point

of view to that of the Republican Party, which has sought to impugn their country's motives, to belittle its efforts, to smirch its leaders in the Great War effort, and to deprive the country of its well-earned consolations for its sacrifices by a methodized program of sneering and disparagement—all of which, of course, has its obvious motivation in a consuming jealousy.

HOPES OF DEMOCRATIC PARTY.

Some day the Democratic Party hopes that America will regain the moral leadership in the world which the Republican Party would not suffer it to retain. It proposes a more rational objective than the "isolation" which to-day has stranded the United States far above the currents of world interest, world sympathy, world trade, world influence, and world power.

The Democratic Party is also in sympathy with much of the deeper subsurface unrest which the people feel. Not that it approves the more violent manifestations of this unrest; not that it regards some forms of expression which it takes as either rational or just; but it senses the evils of rapacious competition. It recognizes that there are great inequalities in our social and industrial system which must be corrected, and to that end it hopes some day to bring to bear upon such problems a scientific method and a disinterested approach, of which thus far there is no suggestion either in the Republican mind or program.

I say the "Republican mind." Because, after all, the action of the electorate is an expression of hope, an effort to express the trend of life, to render articulate the people's sense of justice and of their interest. A party which is frankly skeptical of progress, ashamed of idealism, and elevates the "concrete" and the "practical" and the "limited objective" to the plane of ritual is a poor instrument for the fulfillment of aspirations. There is a vast difference between a brake and an accelerator, and a dead horse is a poor mount.

Some one wittily commenting on the atmosphere of the present administration said he would rather be charged with embezzlement than suspected of idealism in Washington, and even the Chief Justice, so recently the president of the League to Enforce Peace and the enthusiastic advocate of the League of Nations, now refers to the latter, with his somewhat over-worked chuckle, as "the league which shall be nameless."

But all this will pass. The sordid apostasy of the Republicans to the true and abiding ideals of America will be swept away by the tide of moral earnestness, which has already turned and is seen everywhere to be rising and gaining in its onrush.

The earnest and thoughtful minds of the country are not in the Republican Party. They are not all in the Democratic Party, to be sure, but many of them are—enough to give tone, point, and character to the party. The economic illiteracy which makes the present Congress a veritable museum of blundering is preponderantly on the Republican side of both Houses. True, we have BORAH and NORRIS and now and then LENROOT and LA FOLLETTE in the Senate uttering warnings and sputtering protests. Their effectiveness, however, is destroyed by their organic adhesion to the majority which they denounce, but at the same time sustain in its control of the main currents of legislative policy.

The Democratic Party perceives that the country can not survive if business initiative is extinguished by unbridled taxation. It realizes the truth which every unprejudiced observer sees, that our industrial civilization can not live nor our agricultural interests prosper without overseas markets. It knows that our own recovery is conditioned upon the recovery of our sister nations. It is enlightened enough to appreciate the fact that Republican prejudices, provincialisms, illiteracies, and vote-bogging demagoguery are not substitutes for a sound economic program, built upon actualities and supported by inexorable laws of universal application.

It knows that wealth and power have their responsibilities which can not be ignored even in the case of nations; that pride goeth before destruction, and the spirit of self-sufficiency and self-gratulation is the sure forerunner of humiliation and failure.

Soon the leaders of the Democratic Party will be heard again. It will be time. The season of reaction, the period of the country's relapse, draws to an end.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Committee on Finance inserting

paragraph 1300, chemical wood pulp, on which the Senator from Montana [Mr. WALSH] is entitled to the floor.

Mr. WALSH of Montana. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCormick	Pomerene
Borah	France	McCumber	Ransdell
Brandeggee	Gooding	McLean	Robinson
Bursum	Hale	McNary	Sheppard
Calder	Harreld	Moses	Simmons
Cameron	Harris	Myers	Smoot
Capper	Harrison	Nelson	Spencer
Caraway	Heflin	New	Stanfield
Culberson	Hitchcock	Newberry	Sterling
Cummins	Jones, N. Mex.	Nicholson	Trammell
Curtis	Jones, Wash.	Oddie	Walsh, Mass.
Dial	Kellogg	Overman	Walsh, Mont.
du Pont	Keyes	Pepper	Warren
Ernst	Ladd	Phipps	Watson, Ind.
Fernald	Lodge	Pittman	Willis

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is absent on official business. I will let this notice continue through the day.

Mr. RANDELL. I desire to announce that the Senator from Illinois [Mr. McKINLEY] and the Senator from Wyoming [Mr. KENDRICK] are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Sixty Senators have answered to their names. There is a quorum present.

Mr. SIMMONS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WALSH of Montana. I yield.

Mr. SIMMONS. I wish to present and tender to the majority a proposition for fixing a time for a final vote upon the amendments of the committee and upon amendments offered on the floor and upon the whole bill.

We did not decide that it would be feasible to make this proposition until after the wool schedule, upon which the attention of the country was so largely focused, had been disposed of. But that being out of the way, the general principles of the bill and its character having been very generally discussed and probably thoroughly discussed on both sides, we see no reason why we can not now come to a unanimous-consent agreement fixing a time to vote on the amendments both of the committee and those offered upon the floor, and upon the whole bill. I therefore send to the Secretary's desk the following proposition.

The PRESIDENT pro tempore. The Senator from North Carolina presents a request for a unanimous-consent agreement, which the Secretary will read for information.

The reading clerk read as follows:

It is agreed by unanimous consent that on August 19, 1922, at 11 o'clock a. m., the Senate will proceed without further debate to vote upon H. R. 7456, to provide revenue, etc., and upon all motions and amendments thereto which may be pending or which may be offered and to the exclusion of all other business.

That not later than August 11, at 11 o'clock a. m., the Senate will proceed to vote without further debate upon all committee amendments that may be pending or that may be offered, and that immediately following the conclusion of the votes on committee amendments the Senate shall proceed to the consideration of other amendments, if any, which may be submitted.

That all time shall be divided as nearly equally as may be between the majority and the minority, and shall be controlled by the Senator from North Dakota [Mr. McCUMBER], on behalf of the majority, and by the Senator from North Carolina [Mr. SIMMONS] on behalf of the minority.

Mr. BRANDEGEE. Mr. President, I ask that the proposed agreement may be read again.

The reading clerk again read the proposed unanimous-consent agreement.

The PRESIDENT pro tempore. Is there objection?

Mr. McCORMICK. Mr. President, has the proposed agreement been submitted by the Senator from North Carolina [Mr. SIMMONS] to the Senator from North Dakota [Mr. McCUMBER]?

Mr. SIMMONS. I will say to the Senator from Illinois that I have not consulted with the Senator from North Dakota in reference to the matter. I stated that I simply tendered the proposed unanimous-consent agreement to the majority.

Mr. SMOOT. Then the Senator from North Carolina does not desire the proposed unanimous consent now to be disposed of?

Mr. SIMMONS. I am willing that the matter shall take whatever course the majority may decide upon. If the majority are not now prepared to accept the proposition and desire to consider it, of course I would not suggest immediate action upon the request. I am simply tendering the proposition to the majority. I have been asked repeatedly if I would

not consent to some time for a vote, and this is my response. I submit it to the majority.

Mr. McCUMBER. Mr. President, this is somewhat of an unusual method, at least, of arriving at a unanimous-consent agreement. Ordinarily those in charge of a pending bill and those opposed to it have some conversation concerning the matter and try to get together before a request for an agreement to vote is presented to the Senate. In this instance the request has not followed that course. I am not, however, finding any fault at all with the course suggested by the Senator from North Carolina. The Senator is presenting the matter in this form to this side of the Chamber, and, while the time which he has suggested for a vote on the pending bill seems to me to be unnecessarily late, I desire to say that I should be glad to take up the proposition and talk with the Members on this side of the Chamber in reference to it and consider any proposal from our side. I am very glad to have this first step taken toward bringing the pending measure to a close. I think, however, all that can now be done is to give us time to look over and study the proposition. I am sure I shall give the Senator from North Carolina a response to his proposal within the day.

Mr. ROBINSON. Mr. President, the time has arrived when the Senate should agree to a time for final disposition of the pending bill. The Senator from North Dakota suggests that the agreement should, perhaps, provide for a final vote on the bill earlier than August 19. I have no objection whatever to that suggestion. As originally drafted the proposal contemplated a vote very much earlier. Some Senators, however, think that, inasmuch as a number of important provisions in the committee amendments remain undisposed of and no time so far has been devoted to individual amendments which are to come from the floor, the time fixed in the proposed unanimous-consent agreement is reasonable and the time provided is necessary for the intelligent determination of the issue involved.

The important point is to reach an agreement for a vote on the pending bill. The Republican press of the country contains declarations that it will be impossible to pass the pending tariff bill prior to the November election, and that Republican Senators are highly gratified and greatly relieved by that fact. Some time ago it was declared on the floor of the Senate that there was a growing disposition on the majority side of the Chamber to prolong this debate and to protract the consideration of the pending measure until such time as it will be a practical impossibility to accomplish its passage prior to the elections.

In view of the course that the measure has taken in the Senate, it is important and necessary that the people of the United States should be given an opportunity to know the policy of the Congress and the policy of the present administration touching this important subject. I express the hope that the agreement may be entered into as presented by the Senator from North Carolina, or, if possible, that a date for an earlier vote on the pending measure may be fixed.

Mr. LODGE. Mr. President, I have not seen the proposed agreement, having only just heard it read since I reached the Senate Chamber this morning. I am very anxious to secure a vote on the pending bill and to have it disposed of at the earliest possible moment. I had hoped we might reach an agreement to vote on an earlier day than the one proposed in the unanimous-consent agreement. I should like, however, to have an opportunity, as the Senator from North Dakota [Mr. McCUMBER] has suggested he also would desire, to look the proposition over and to talk, at least, with some of the Republican Members of the Senate before giving assent to the agreement at this moment, which I do not now feel able to do. I think we ought to have an opportunity, at least, to consider the proposition as it has been presented to us without, so far as I am concerned, any notice at all.

The PRESIDENT pro tempore. Is there objection to the agreement proposed by the Senator from North Carolina [Mr. SIMMONS]?

Mr. JONES of Washington. Mr. President, I wish to ask the Senator from North Carolina a question. I wish to ask the Senator if it is his idea that after this agreement shall have been entered into any Senator who has an amendment which he desires to present must consult the leader on his side and arrange with him as to the amount of time that the Senator desiring to present the amendment will be allowed for the consideration of such amendment?

Mr. SIMMONS. I will state frankly to the Senator that we adopted that method because we recognized the fact that some amendments would require very little discussion while other amendments of very great importance would require more, and that it would therefore be better to allow some elasticity in the

matter of debate, so that on important amendments a longer time would be allowed for presentation and more time might be accorded for reply. It was thought that would be a better method than to limit debate, especially where so many different propositions were involved which were of such varying importance.

Mr. JONES of Washington. That is the only feature of the proposal which I do not like.

Mr. SIMMONS. At first I, too, did not like it, but upon reflection it finally seemed to me that that was the only solution of the matter. This is not a case of dealing with one or two propositions, but these amendments deal with separate propositions of differing importance. One may be a very important matter, while another may be a matter of but trifling consequence. We therefore thought some elasticity in regard to the matter of time to be allowed in the discussion ought to be granted in order to accommodate the situation.

I think that that is a very happy solution of the difficulty.

Mr. HARRELD. Mr. President, I should like to ask the Senator a question. For instance, if I desire to submit an amendment does the proposed agreement contemplate that I must get the consent of the leader of my side in order that I may do so?

Mr. SIMMONS. After the time fixed has arrived, if the Senator should rise and announce that he desires to occupy so much time, the Senator in charge of the bill, the Senator from North Dakota [Mr. McCUMBER], with the Senators on the majority side of the Chamber, could agree as to the length of time that it is necessary to enable him to discuss it, and accord him that time.

Mr. HARRELD. Mr. President, I should like to ask one further question. Is it proposed in the agreement to vote on all committee amendments on the 11th of August, and are they to be voted upon then without any further debate?

Mr. SIMMONS. It is provided they shall be voted upon then without further debate.

The PRESIDENT pro tempore. The Chair is unable to hear the colloquy, and is interested in knowing whether or not objection is made.

Mr. HARRELD. Mr. President, I desire to ask a further question.

Mr. WATSON of Indiana. Mr. President, we wish to discuss the matter.

Mr. HARRELD. Mr. President—

Mr. LODGE. Action will be taken when it is necessary, and in the meantime the request ought to go over.

Mr. WATSON of Indiana. Yes.

Mr. LODGE. The Senator from North Dakota has asked that it go over and I have made the same request. That is equivalent to an objection.

Mr. SIMMONS. I have no objection to that.

Mr. WATSON of Indiana. I desire to ascertain the present status. On account of the fact that the chairman of the committee and the leader on our side have not been notified that the agreement was going to be proposed at this time, would not the Senator from North Carolina be willing to wait, say, until 3 o'clock or 4 o'clock before he presents it?

Mr. SIMMONS. Probably the Senator was not here, but I said and I desire to repeat that this is merely a tender. I am not asking action upon it now. It is merely a tender on the part of the minority side of the Chamber to the majority side of the Chamber.

Mr. WATSON of Indiana. That is all right.

Mr. SIMMONS. The Senator from North Dakota has stated that during the day, after conference, he would indicate his position in the matter.

Mr. WATSON of Indiana. The reason I asked the Senator the question anew was because the President pro tempore insisted upon putting it up to the Senate.

Mr. SIMMONS. I agree that no action shall be taken at the present time, but later in the day I will call the matter up.

The PRESIDENT pro tempore. The question will be passed over until called up by the Senator from North Carolina.

The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. At the beginning of the paper schedule, the committee proposes to insert a new paragraph, as follows:

PAR. 1300. Chemical wood pulp, unbleached or bleached, 5 per cent ad valorem; *Provided*, That if any country, dependency, province, or other subdivision of government shall forbid or restrict in any way the exportation of (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly), or impose any export duty, export license fee, or other export charge of any kind whatever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon printing paper, chemical wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon chemical wood pulp, when imported, either

directly or indirectly, from such country, dependency, province, or other subdivision of government, an additional duty equal to the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either an equal amount of chemical wood pulp or an amount of wood necessary to manufacture such wood pulp, or an amount of printing paper ordinarily manufactured from such chemical wood pulp.

Mr. WALSH of Montana. Mr. President, when the discussion of the pending amendment was interrupted on yesterday afternoon I was endeavoring to present the important public question involved, namely, as to whether, in view of the situation in which this country finds itself with reference to its timber supply, it was a wise thing to offer a premium upon the rapid consumption of our forests, and whether that policy was not in plain contravention of the wise policy of conservation which we believed we had entered upon some years ago.

The situation which confronts us, Mr. President, is very tersely set forth in a paper by Dr. Hugh P. Baker, the secretary of the American Paper & Pulp Association, published in the Paper Trade Journal on January 13, 1921, which was incorporated in the hearings upon this schedule before the House. In that he said:

The forests of America were the finest of the world when our forefathers first began the development of this country. No other continent within the memory of man has been so blessed with forests as America. The very abundance of forests caused us to become careless with them, and the years, almost centuries, of carelessness can not be overcome even with the aggressive agitation of a decade. In a way we must exhaust our virgin forests before our people will be convinced that it is a profitable undertaking to handle our forests as a crop as we have learned to handle agricultural crops. The future of the paper industry in this country is absolutely dependent upon a permanent supply of the right kind of wood from our forests. The disappearance of our forests over vast areas is going to have a serious influence upon the industry. For the next 25 to 50 years the problem of a permanent supply of wood for our eastern paper mills is going to be a very difficult one to solve. It will mean our turning to the forests of the far West or Alaska or to the paying of a royalty of considerable amount to those who bring in wood or pulp from outside our boundaries. Should it be possible to secure proper legislation and make a beginning in a reasonably effective way in protection and reforestation, we may expect in the course of 40 to 60 years to begin to produce on the forest land east of the Mississippi all the wood we will need for the paper industry of the country. However, due to the carelessness of the past, the industry is facing fifty-odd lean years, with the problem of raw materials a difficult one to solve and a problem which some mills may be unable to solve.

But we are told, Mr. President, by the Senator from Maine [Mr. HALE] that they are solving the problem in the State of Maine by simply allowing to remain standing some of the trees in the forest that is cut down for pulp wood, allowing the area to become reseeded. That is a very optimistic view of the situation to take, and one which our great Forestry Service says is utterly futile. I want to submit the last we have on the subject from the Forestry Service. I read from the report of the forester in the Yearbook of the Department of Agriculture for the year 1920, as follows:

The average well-kept farm in the upper Mississippi Valley uses 2,000 board feet of lumber every year for repairs and improvements. This yearly use of lumber represents probably the minimum requirement of efficient twentieth century agriculture. Turn to our manufacturing communities. Industrial centers like Pittsburgh, Chicago, or St. Louis consume from two to four times as much lumber per capita as the country at large. To maintain our railway systems requires 125,000,000 wooden cross-ties every year, and the more railroads we build the larger does this permanent requirement become. And our use of paper, which is made largely from wood, has grown by leaps and bounds. In 1880 the average person in the United States used about 30 pounds of paper every year; to-day the average American uses 125 pounds every year.

Three-fifths of the forests which sheltered America's aboriginal inhabitants are gone. From the remnant we are now cutting yearly at least four times as much wood as is being grown. We are even cutting trees too small for the sawmill more rapidly than they are being produced. The American sawmill has moved over the face of the land, cleaning up one forest region after another. About 5 per cent of the virgin forests of the New England States is left. In 1850 New York held first rank among the States as a lumber producer; to-day she imports probably 90 per cent of the forest products required by her own people and industries. In 1860 Pennsylvania stood first in the cut of lumber and exported large quantities to her sister States. The lumber cut in Pennsylvania now is less than the requirements of the Pittsburgh territory alone. By 1892 the Lake States had become the great lumber camp of the country; to-day their cut has dropped to a single billion feet, and of their vast pine forests about 2 per cent is left.

There are not many more chapters in this story. The pine belt of the Southern States is now our greatest source of lumber, but that region has also passed its peak, and all the evidence goes to show that within another 10 or 12 years the Southern States will have little lumber for export. Fifty per cent of the timber yet standing is in three States bordering the Pacific Ocean. The westward movement of forest industries is becoming more accelerated every year; and every year constantly greater quantities of lumber are being hauled 2,000 or 3,000 miles from the sawmill to its consumer. The average freight charge on lumber to-day amounts to more than the lumber itself cost 30 years ago.

The exhaustion of our timber supply is coming about not because we have used our forests freely but because we have failed to use our timber-growing land. The problem in a nutshell is the enormous area of forest land which has been so logged and so burned that it is producing little or nothing. We have over 80,000,000 acres, an area greater than all the forests of France, Belgium, Holland, Den-

mark, Germany, Switzerland, Spain, and Portugal, which has been denuded to the point of absolute idleness so far as the production of any timber of commercial value is concerned. We have other enormous areas of cut-over land now growing but a fraction of the amount of timber which they might produce. And we are adding to these areas of idle or largely idle land from 10,000,000 to 15,000,000 acres every year as destructive logging and still more destructive burning progress.

Now, how to remedy this situation.

After discussing the seriousness of it, the forester continues:

Nor can we solve this problem by the old economic theory of leave it alone. Considerable reforestation comes about by chance. Areas in the South Atlantic States are now yielding their third cut of saw timber in spite of the prevalence of fires and other destructive agencies. Considerable reforestation is coming about through the intelligent action of landowners—

The process referred to by the Senator from Maine [Mr. HALE]—

There are not a few holdings in our north woods which have produced yields of saw timber and pulp wood through three generations of owners.

I suppose that in the State of Massachusetts timber has been cut off probably three times since 1620. In visiting that State some time ago, I speculated upon whether the timber I saw was the original virgin growth or whether it had been cut off, and I was told at that time that that was the third growth. That is to say, in 300 years the timber had replaced itself three times.

Year after year the planting of denuded lands is increasing. It is safe to say that 12,000,000 or 15,000,000 young forest trees are planted annually in the New England States and probably as many more in the Middle Atlantic and Central States.

So it will be observed that due consideration has been given to the reforestation referred to by the Senator from Maine.

The forester continues:

Such instances of reforestation through private initiative are, indeed, encouraging and should receive every reasonable form of public assistance. But, weighed in the balance against our national needs for timber, the production of wood by voluntary private effort is hopelessly inadequate and will remain so for a long time to come.

Mr. WILLIS. Mr. President, will the Senator yield for a question?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I do.

Mr. WILLIS. Will the Senator state from what document or report he is reading?

Mr. WALSH of Montana. I read from the Yearbook of the Department of Agriculture for the year 1920.

It takes a long time to grow merchantable timber, and the vast public interests at stake can not, under a real national conception of the problem, be left to the turn of profit or loss or the business policy of the individual. We must devise some plan-wise system of reforestation, with enough public participation and assistance to make it effective, which will keep not an isolated spot here and there but hundreds of millions of acres of forest land at work growing timber.

Mr. WILLIS. Mr. President, before the Senator leaves that particular part of the discussion, does the report give any information, or has the Senator any information of his own, as to this point: I have heard much about reforestation. Does the Senator know whether the product of reforestation is entering to any considerable extent into our supply of pulp wood now?

Mr. WALSH of Montana. That was the subject of discussion yesterday.

Mr. WILLIS. I was unfortunate enough not to hear it.

Mr. WALSH of Montana. My information is that reforestation carried out as is here suggested is in its infancy, and that no timber grown by scientific reforestation has ever been used in this country in the manufacture of wood pulp. The fact is, however, that the forests have themselves by chance been reforested after having once been cut down, so that in the old settled portions of the country there is a second growth after a hundred years or so that has been cut down for timber; but nothing in the way of the cultivation of forests has gone on to such an extent as to make the timber available for wood pulp.

Mr. WILLIS. Does the Senator know practically whether that is true of spruce? That is the best pulp wood. Take the case of a forest of spruce which is cut off. Will it come up to spruce or jack pine, or what?

Mr. WALSH of Montana. Of course spruce rarely grows singly. In our country it is quite common and is interspersed with other timber—fir, pine, and that kind of thing.

Mr. WILLIS. The reason why I ask that question is that in the case of the only spruce forest that I have seen cut off that particular kind of tree did not seem to have the ability to reproduce itself. Some other trees came up—what they call in that country jack pine and stuff of that kind—but it was not spruce and not very good pulp wood. You could not make print paper out of it. You could make kraft and other stuff, but you could not make newsprint paper.

Mr. WALSH of Montana. My observation has been quite in keeping with that suggested by the Senator from Ohio. Out in our country, as a rule, the lodgepole pine first exhibits itself in areas that have been cut over. The other trees require some protection, and they would come in the course of time, after shelter is provided, as I take it, by the hardier varieties of pine.

So, Mr. President, we are squarely confronted with the proposition as to whether we shall go on encouraging the destruction of our forests by putting this duty upon the importations of wood pulp from abroad. I submit that it is an unwise policy.

But there are many other considerations which operate against the wisdom of the adoption of this amendment than that to which I have addressed my attention thus far.

I called attention yesterday to the very heavy importations of chemical wood pulp, of course very largely coming from Canada. Not only are the importations large, but it is conceded that chemical wood pulp, and ground wood pulp, for that matter, can be produced in Canada at a less cost than in this country, for two reasons. In the first place, the raw material, the pulp wood, is more abundant and less expensive; in the second place, the process of conversion is less expensive, very largely by reason of the fact that the Canadian mills as a rule are newer, more modern, operated more efficiently, and, in addition to that, power for the operation of them is obtainable at a less cost, generally, than in this country.

So that might appear to be a reason why a duty should be put upon wood pulp; but it is not a good reason, because the wood-pulp manufacturers of this country are making a very excellent profit at the present time, and the operation of the duty would be, not to enable them to operate more successfully, but simply to enable them to operate with a little more profit than they enjoy at the present time. I speak the conclusion of the Tariff Commission.

Mr. HALE. Can the Senator give some figures about the profits?

Mr. WALSH of Montana. I am going to give the figures given by the Tariff Commission. That presents another question of public policy, namely, if a product can be manufactured in a foreign country at a less cost than it can be manufactured in this country, and yet the American manufacturer is making a good profit under the law as it is, is it justifiable to impose a protective tariff in order that his profits may be increased? That is to say, in that kind of a case, should a tariff duty be imposed equalling the difference in the cost of production at home and abroad?

I read from page 28 of the pamphlet of the Tariff Commission on this subject, as follows:

The average cost of production of wood pulp in Canada is considerably less than in the United States. In 1915 the average cost for ground wood was 23.9 per cent lower and sulphite 14.6 per cent lower. In 1916 the percentages were 23.5 and 19.2, respectively. In spite of this difference in cost, Canadian competition is not at present a serious menace to American producers. This is because the strong demand maintains the price at a figure sufficient to give the American producers a profit, though, of course, the Canadian producer makes a greater profit. This condition is brought out clearly by the diagrams, figures 3-6. In all four diagrams, as may be seen, the average Canadian cost line is below the average American cost line, but both are below the average price line. It is simply a case where competitive manufacturers produce at different costs, and the marginal cost tends to equal the price. A strong demand calls for an output greater than the most efficient manufacturers can supply. The price rises, making it possible for less and less efficient producers to compete, until the "marginal producer" is reached, whose cost equals the price. The Federal Trade Commission Report (65th Cong., Doc. No. 49) segregates the American producers into classes. For ground wood, Class I, less than \$10.50; Class II, \$10.50 to \$12.50; Class III, \$12.50 to \$15; Class IV, \$15 to \$17; Class V, \$17 and over. For sulphite, Class I, less than \$27; Class II, \$27 to \$30; Class III, \$30 to \$33; Class IV, \$33 to \$36; Class V, \$36 and over. The output and average costs of each of these groups is shown by the steps in the diagram. If the Canadian producers were segregated, their costs also would be shown by steps. The American and Canadian producers could then be segregated into classes without reference to nationality, and there could be a single flight of steps. But the conclusions would be the same: The low-cost producers would make a large profit, the higher-cost producers progressively less and less profit until the marginal producer was reached, who would just "break even." The demand may be so strong that for a time at least there is no marginal producer—that is, the price rises to a point where even the highest cost producer makes a large profit. This condition is suggested in figures 4, 5, and 6, especially figure 6. Under free competition such a condition could not be permanent. If it does remain permanent, there is a suggestion of restriction of output and monopoly.

So the conclusion which I have announced is not only that of the Tariff Commission but it is that of the Federal Trade Commission—that the wood-pulp producers of this country do not need the protection which is accorded here in order to enable them to make a fair profit on their output. Nor are they menaced particularly by foreign competition, the demand being so great as to absorb the product.

There is still a further reason why this duty should not be imposed. There are a vast number of paper mills in this coun-

try which have been engaged in the manufacture of wood pulp. Quite a number of paper mills produce their own wood pulp and consume it in the manufacture of paper. Other mills produce wood pulp only and sell that wood pulp to other factories, which make paper of the wood pulp, the paper mills being obliged to buy either from the American wood-pulp producer or from the Canadian wood-pulp producer.

So it will be observed that the duty upon wood pulp is a burden upon the paper mills of the country, and necessarily so. But worse than that, the paper mills are obliged to sell their paper in a perfectly free market; that is, so far as newsprint is concerned, which, of course, is the great product. They get no compensatory duty whatever, newsprint being upon the free list. So they are obliged to buy in a protected market and sell in a free market.

There are about 16 mills in this country, according to the information given us by the Tariff Commission, engaged in the manufacture of wood pulp, and which sell their products to the paper mills. There are about 600 paper mills in the country which buy their wood pulp either from the American producer or from the foreign producer.

I give the information upon that point as it comes to us. I read from page 2979 of the House hearings on this schedule as follows:

Out of the 146 mills manufacturing chemical pulps, such as bleached soda, bleached and unbleached sulphite and kraft pulp, not more than 15 mills manufacture pulp solely for sale; the other pulp mills manufacture pulp for their own requirements, and have more or less surplus quantities to offer for the trade from time to time, depending on their own needs. As against the 15 pulp mills manufacturing chemical pulp exclusively for the trade, there are approximately 600 paper mills in the United States which do not produce their own chemical pulp and are obliged to buy their pulp either from surplus production of their competitors or in the open market.

It need not be said, Mr. President, that under these circumstances the 600 paper mills in the United States are protesting loudly against the imposition of this duty.

Mr. HALE. The Senator does not mean that there are only 16 mills in the United States which manufacture chemical pulp? Surely he does not include the newsprint mills.

Mr. WALSH of Montana. There are 16 mills which manufacture pulp exclusively for sale. Other mills manufacture pulp and convert it themselves into paper. Some of them make more pulp than they actually consume themselves, and they sell their excess. They, of course, are not interested in the duty upon pulp, so far as they consume their own product. There are only 16 mills which manufacture wood pulp and do not use any portion of it.

Mr. HALE. The manufacturers of newsprint in this country make chemical pulp as well, and they make 50 per cent more chemical pulp than is used in the manufacture of newsprint in the entire country. So there is no lack of supply of the chemical pulp used in the manufacture of newsprint in this country.

Mr. WALSH of Montana. There are a large number of mills engaged in making newsprint which make their own pulp.

Mr. HALE. That is true.

Mr. WALSH of Montana. And some of them make more pulp than they actually need themselves in the manufacture of the paper which they produce, and they sell the excess to the other mills which do not produce any pulp.

Mr. LENROOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Wisconsin?

Mr. WALSH of Montana. I yield.

Mr. LENROOT. Could the Senator tell us what the total amount of chemical pulp sold is of domestic production?

Mr. WALSH of Montana. The total production is 600,000 tons.

Mr. LENROOT. How much of that is sold?

Mr. WALSH of Montana. I am not able to give that information. Possibly I have it, but not at hand now.

Mr. WILLIS. I think I have the figures, if I understood the question of the Senator from Wisconsin. What was the question?

Mr. LENROOT. A part of this chemical pulp is used by the manufacturers themselves in the manufacture of paper, as I understand. My question was, how much chemical pulp of the domestic production is sold, by whomever made?

Mr. WILLIS. I think the figures I have are reliable, and they show that in 1921 there were produced of chemical pulp in the United States 1,526,000 tons. There were consumed of that amount by the mills manufacturing the pulp, who also manufacture paper, 1,114,000 tons. That is to say, 73 per cent was consumed by the mills which manufacture pulp and also manufacture paper. That leaves 407,000 tons sold to

the converting mills, or, in percentages, 73 per cent consumed by the mills that manufacture the pulp, and the surplus, as pointed out by the Senator from Montana, 27 per cent only, sold to the converting mills.

Mr. HARRIS. With the permission of the Senator from Montana, I may state in reply to the Senator from Wisconsin that there is only 9 per cent of the chemical wood pulp made by the mills which manufacture newsprint paper themselves and 91 per cent of it is manufactured by others than the paper mills.

Mr. LENROOT. That does not tally with the figures given by the Senator from Ohio. The Senator from Ohio, if I understood him, stated there would be 27 per cent of the total domestic production of chemical pulp sold. Did the Senator from Montana understand the figures that way?

Mr. WALSH of Montana. I so understood the Senator from Ohio.

Mr. WILLIS. That was my statement, and I think it is absolutely correct. Is it challenged?

Mr. HARRIS. My understanding from reliable information, as I stated, is that only 9 per cent of the chemical wood pulp used in the manufacture of newsprint paper is made by the mills themselves and 91 per cent is not made by the mills which manufacture newsprint.

Mr. WALSH of Montana. That may be in entire harmony with the statement of the Senator from Ohio. The Senator from Georgia is referring to newsprint only. That is to say, in the manufacture of newsprint only 9 per cent of the pulp is purchased and the other 91 per cent is manufactured by the makers of the newsprint.

Mr. WILLIS. That is not necessarily contrary to the figures I gave.

Mr. LENROOT. Mr. President, will the Senator from Georgia make that statement again? I do not know that I quite followed it.

Mr. HARRIS. I stated that of the amount of newsprint manufactured by the factories in the country only 9 per cent of the chemical wood pulp they use is made by the mills themselves and the other 91 per cent is made by others.

Mr. LENROOT. In other words, 91 per cent is purchased?

Mr. HARRIS. That is true.

Mr. LENROOT. But that includes both chemical pulp and mechanical pulp?

Mr. HARRIS. This is only the chemical wood pulp.

Mr. LENROOT. That certainly does not tally with the figures given by the Senator from Ohio.

Mr. HARRIS. The Senator from Maine yesterday referred to the Great Northern Co. That company has about the lowest newsprint paper production cost in the country because of its magnificent forests and machinery. It has a lower cost even than the Berlin mills of New Hampshire and others, much lower than the International, the largest of all the companies manufacturing newsprint paper, which have a higher production cost because they have not the forests and they have to get the pulp from Canada, and some of their mill machinery is old and not up to date. There are only 21 mills which are favorably affected by the 5 per cent rate recommended by the committee. There are 215 mills that will be discriminated against, and some of them have the highest cost of production. I am referring to the mills in this country. Two-thirds of the newsprint paper is manufactured in Canada and about one-third manufactured in the United States. The Canadian mills have an advantage over ours in the low cost of wood and power, but this is offset by the high price they pay for coal.

I would like to say in passing that nearly all the other paper mills in this country and Canada put up their prices just before and during the war, but it was the Great Northern that held the prices down and did not take advantage of their customers. The majority of mills on this side of the Canadian line have not the forests and must buy the chemical wood pulp from Canada. It is proposed to give the 5 per cent to mills like the Great Northern, which do not need it. They can manufacture paper at a lower cost of production than the International or other mills that have not the forests and have to depend upon getting the pulp from Canada and other sources. This 5 per cent additional expense on chemical wood pulp would be a rank discrimination against a large majority of the paper mills in our country and a heavy tax on the people who buy papers. Nearly all the paper mills in Ohio and other States get their chemical wood pulp from Canada, and this extra duty on them would be an unjust discrimination. The paper mills in the United States have a difficult time competing with the Canadian mills without this additional tax, which will be a heavy burden on most of our mills.

Mr. HALE. The Senator is entirely wrong in stating that 90 per cent of the chemical pulp used in the manufacture of paper is purchased by the newsprint manufacturers.

Mr. HARRIS. That is my information.

Mr. HALE. I am going to talk upon the subject later, and I shall put in exact figures, which I shall have later.

Mr. HARRIS. I would like to have the Senator give the source of his information and his authority.

Mr. HALE. I got it from some of the companies themselves.

Mr. HARRIS. There are only 21 companies which have been here asking for this rate, or the representatives of 21 mills, and all the mills that have forests were included. There are 215 mills that have to buy the chemical wood pulp, and they are protesting against this and did not come down here to ask for it.

Mr. HALE. Those are the converting mills to which the Senator refers.

Mr. HARRIS. They are the mills which manufacture newsprint.

Mr. WALSH of Montana. Mr. President, I want to be as gracious as possible, but I trust that the Senators will defer further colloquy until I get through. I am pretty nearly through with what I have to say about the matter.

Another reason why this ought not to be done is that it is a perfectly manifest injustice to the American producer of paper and the American paper mill. It is really offering a premium to producers of print paper in Canada. The Canadian manufacturer gets his wood pulp in Canada, manufactures it into paper, and that paper is introduced into this country free, while the American print-paper manufacturer, who is obliged to buy his chemical wood pulp in the market, is obliged to pay, if he imports it, the additional 5 per cent, or if he buys it from the domestic producer is obliged to pay the equivalent amount. So that the American producer of print paper is burdened against his own interests and in favor of his Canadian competitor, who is nearer the source of supply and gets his wood pulp free and introduces his print paper into this country free.

Finally, Mr. President, this duty will give a monopoly, as far as a monopoly can be granted, to the American wood-pulp producer, and that is the very purpose of it, as frankly indicated by the testimony of the gentlemen who are asking it upon their behalf. I read from the House hearings, at page 2977.

Mr. HARRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Georgia?

Mr. WALSH of Montana. I yield.

Mr. HARRIS. I would like to give the Senator these figures: In 1920 we got from Canada 419,270 tons of chemical wood pulp, exported from Canada to the United States. In 1921 we got 308,981 tons of chemical wood pulp, which was exported from Canada to the United States.

Mr. HALE. From what is the Senator quoting?

Mr. HARRIS. I am quoting from statistics which the newspaper organization furnished.

Mr. WALSH of Montana. Mr. President, in support of the demand for a duty upon chemical wood pulp, the American Paper and Pulp Association submitted a brief to the House Committee on Ways and Means in which, among other things, they said as follows:

Your attention is particularly invited to the very great increase both in manufacture and in import of pulp during the year 1920, when the entire paper industry was enjoying an abnormally large business. The fact that the United States produced in the year 1920, under these favorable circumstances, 3,800,000 tons of pulp of all kinds, and that the consumption of pulp during the years 1918 and 1919 (reasonably normal years) averaged 3,850,000 tons, it became self-evident that the United States actually possesses sufficient pulp-making capacity to very nearly meet its requirements in normal years, and that with very little encouragement production might be increased to a point where it could supply the entire demand and have a surplus. It is with a view of obtaining this encouragement that we are asking for a revision of the existing tariff, which places pulp upon the free list and that duties be imposed as follows:

Mechanical pulp	Per pound.
Unbleached chemical pulp	$\frac{1}{16}$ of 1 cent
Bleached chemical pulp	$\frac{1}{16}$ of 1 cent

In other words, they want a duty which will enable them to supply the entire American demand to the exclusion of all importations. So frank a demand of a purpose to have an embargo tariff is probably not found in any other place in the hearings.

The duty, in my judgment, Mr. President, is entirely unjustifiable. It would be clearly violative of the public interest. It is unjust and unfair to the American paper manufacturer, and I think ought to be universally condemned.

Mr. ROBINSON. Mr. President, the argument made by the Senator from Montana [Mr. WALSH], it seems to me, can not

be answered. During the course of the debate on the bill a few days ago the Senator from North Dakota [Mr. McCUMBER], chairman of the committee in charge of the bill, made an astonishing statement. He declared that the defeat of Mr. Taft for reelection in his second campaign in 1912 was due to the vindictiveness and revengeful action of American newspapers and magazines growing out of the refusal of the Finance Committee to place newsprint paper upon the free list more than from any other cause. That statement was supported in interesting and somewhat amusing declarations by the Senator from Utah [Mr. SMOOT] and the Senator from Indiana [Mr. WATSON]. The former recalled a threat which he said had been made by Mr. John I. Norris, representing the American Newspaper Publishers' Association, to a subcommittee of the Finance Committee, charged with the responsibility of considering the question of whether newsprint paper should be made dutiable or placed upon the free list, which subcommittee was composed of the then Senator from Rhode Island, Mr. Aldrich, and the Senator from Utah [Mr. SMOOT]. The Senator from Utah declared that Mr. Norris had asserted that there could be no compromise on the question, that the attitude of the American newspapers in favor of free newsprint paper and free wood pulp was unalterable and uncompromising, and that if the Republican Party persisted in refusing to yield to the demand for free wood pulp and free newsprint paper it would be visited with the political wrath of the entire press of the United States and the Republican Party would be driven from power.

The Senator from Indiana [Mr. WATSON] became reminiscent and related incidents and conversations which he said took place in 1908 and 1909 when he was a Member of the House of Representatives and actively engaged in guiding party affairs as the whip of the House. To recall definitely and accurately the statement of the Senator from Indiana, I read from the CONGRESSIONAL RECORD, July 26, 1922, at page 10662, at which point the Senator from Indiana said:

Mr. President, I do not know that the recital of personal experiences is of very serious consequence in the debate that is now being engaged in by the Senate. Indeed, it throws no very great light upon the subject in hand. And yet, inasmuch as the newsprint paper question has been brought before the Senate, and the relation of Mr. Herman Ridder and Mr. Norris to that question in 1908 and 1909 has been discussed, I think perhaps it would not be out of order, as throwing some light upon the situation, if I were to relate what I personally know about it. I use the personal pronoun only that I may show my relation to the situation.

At that time I happened to be the whip of the House of Representatives and had been for some time. I was likewise a member of the Ways and Means Committee of that body, which considered and formulated the Payne-Aldrich tariff law.

At that particular time I happened to be living with the then Speaker, JOSEPH G. CANNON, who at that time lived on Vermont Avenue, and therefore I had first-hand knowledge of the matters concerning which I speak.

The Senator from Indiana in the same connection then proceeds to relate a conversation which he said occurred in his presence between the then Speaker of the House of Representatives, Mr. CANNON, and Mr. Herman Ridder, in which Mr. Ridder made violent threats of a political nature toward Mr. CANNON and the Republican Party. Having had occasion to look up the record, I want to point out some facts which show that the memory of the Senator from Indiana in this instance, as in some other instances, can not be relied on at this distant date. I do not wish to be understood as impeaching the integrity or the veracity of my friend the Senator from Indiana; but to show that in all probability he was mistaken, at least in some of his declarations, I point out the fact that in 1908 the Senator from Indiana was the Republican candidate for Governor of the State of Indiana. He was then a Member of the House of Representatives. His time during 1908 was, in large part, consumed in the primary and general election campaigns preceding the gubernatorial election in Indiana which, I believe, took place in November of 1908. His term of office as a Member of the House of Representatives expired March 4, 1909. So the Senator from Indiana was not a Member of Congress at the time the Payne-Aldrich bill was introduced and considered; he was not a Member of Congress during the first two years of the Taft administration, during which period the Payne-Aldrich bill was framed, considered, and enacted into law.

The Payne-Aldrich bill was introduced in the House of Representatives on March 17, 1909; it passed that body April 9, 1909; it came to the Senate and was referred to the Finance Committee on April 10, was subsequently reported, and passed the Senate on July 8, 1909, the President approving it on August 5, 1909. So whatever discussion the Senator from Indiana—then the gentleman from Indiana—may have heard between Speaker CANNON and Mr. Ridder must have taken place in 1908, prior to Mr. Taft's first election.

The important point in this connection is that the Senator from North Dakota [Mr. McCUMBER], the Senator from Utah [Mr. SMOOT], and the Senator from Indiana [Mr. WATSON] have all alleged that the failure of Mr. Taft's party to incorporate newsprint paper in the free list in the Payne-Aldrich tariff law and the refusal to permit consideration of a resolution, which it is alleged was pending in Congress in 1908, placing newsprint paper on the free list, resulted in the turning away from the Republican Party of many of the great Republican newspapers throughout the Nation and in the defeat of Mr. Taft when a second time he was a candidate for the Presidency.

I point out the fact that if the conversation which the Senator from Indiana states occurred while he was a Member of Congress in 1908 and 1909 it must have occurred in 1908, prior to the introduction of the Payne-Aldrich tariff bill and prior to Mr. Taft's first election.

Mr. LENROOT. Mr. President—

Mr. ROBINSON. I yield to the Senator from Wisconsin.

Mr. LENROOT. I do not care to get into the controversy, but I know that the Senator from Arkansas wishes to be accurate. The Senator from Arkansas was a Member of the House of Representatives at the time to which he refers, and he will remember that hearings were held on the Payne-Aldrich bill after Mr. Taft's election and before the 4th of March when he was inaugurated?

Mr. ROBINSON. That statement is not quite accurate. Hearings were held on the subject of the tariff after Mr. Taft's election in November, 1908, but the Payne-Aldrich tariff bill was not introduced in Congress until March 17, 1909.

Mr. LENROOT. But the framing of the bill was actually and practically begun before Mr. Taft's inauguration.

Mr. ROBINSON. Immediately following Mr. Taft's election the subject of the tariff was under consideration by the Ways and Means Committee of the House of Representatives; but the point that I am making is—

Mr. CALDER. Mr. President—

Mr. ROBINSON. I yield to the Senator from New York.

Mr. CALDER. It just occurred to me while the Senator from Arkansas was making his statement that the Senator from Indiana also referred to the consideration of some resolution which was pending during the year 1908, before the election of 1908, for if the Senator from Arkansas will recall reference was made to the candidacy of Mr. CANNON for the Presidency, which was to be in the election of 1908.

Mr. ROBINSON. I myself have spoken of that.

Mr. CALDER. Then I beg the Senator's pardon.

Mr. ROBINSON. I have mentioned it. However, an examination of the RECORD does not disclose that any such resolution as that mentioned by the Senator from Indiana in his remarks the other day ever was submitted by the Senator from Mississippi [Mr. WILLIAMS]; which is another illustration of the fact that Senators ought not to be too hasty to testify concerning incidents that have long since passed. The Senator from Mississippi, so far as my investigations go, did not present a resolution placing newsprint paper on the free list. The Senator from Mississippi, however, presented a resolution providing for an investigation of the subject of wood pulp and newsprint paper.

The Senator from Indiana has come in the Chamber during the course of my remarks, and I will say to him that I have pointed out, in connection with the statement that he made in the RECORD some days ago, that while he was a Member and whip of the House in 1908 and 1909 he had heard a conversation between the Speaker and Mr. Ridder—he was a candidate for Governor of Indiana in 1908, and that his term of office as a Member of the House of Representatives expired on March 4, 1909—and I make this statement not to impeach the honesty or the veracity of the Senator from Indiana but to show that his memory of the events is not accurate in detail—that whatever conversation the Senator may have heard while a Member of the House of Representatives occurred prior to Mr. Taft's election, because Mr. Taft was elected in the campaign of 1908; and, while the Ways and Means Committee of the House of Representatives did have hearings on the general subject of the tariff, the bill, which afterwards became the Payne-Aldrich tariff bill, was not introduced in the House of Representatives until March 17, 1909. Mr. Crumpacker became the Republican member from Indiana of the Ways and Means Committee when the now Senator from Indiana [Mr. WATSON] retired from that committee on March 4, 1909. So that any events of which he speaks must have occurred prior to March 4, 1909, and probably occurred during Mr. Taft's first campaign, because his election was in November, and Mr. Taft did not become President of the United States until March 4, 1909. If there had been a fixed purpose upon the part of the newspapers to resent the re-

fusal of the Republican Party in its plan for a tariff to incorporate newsprint paper on the free list or to permit the passage of a resolution placing newsprint paper on the free list prior to March 4, 1909, it must appear to the Senate that the reaction should have occurred in the election immediately following the refusal.

Now, going further with the statement of the Senator from North Dakota, I bring to the attention of the Senate an editorial published in the New York World of July 26, 1922. I am going to read the editorial. It is entitled "Mr. McCUMBER'S red herring," and reads as follows:

"The real cause of Mr. Taft's defeat in 1912," Senator McCUMBER charges, "was the refusal of the Republican Party to put newsprint paper on the free list." That this is an attempt to support a faked indictment by sheer mendacity can be proved by looking over the files of Republican papers printed during Taft's second campaign. He received well-nigh solid support from the leaders of the Republican press, a fact in itself remarkable considering the influence and prestige of Roosevelt.

I stated when this matter was under consideration by the Senate a few days ago that my recollection then was that the Republican press had as a whole supported Mr. Taft, thus completely repelling the declaration made by the Senator from North Dakota that the press of the Nation had turned against Mr. Taft because of the refusal of his administration to put newsprint paper on the free list.

Continuing, the New York World editorial says:

It is true that a committee of newspaper publishers went to Washington in 1909 to present the case of the newspapers, but it is obviously not true that this committee had authority to commit the editors of the country to any attitude toward the tariff, the administration, or Mr. Taft personally. It is true that this committee was fairly well satisfied with the newsprint schedule, but it is not true that threats were made to secure the agreement. The committee was not in a position to threaten. For that matter, the metropolitan papers mainly represented by the committee were not so vitally interested in the duty as were the more numerous small-town publications that might have been suspended by an increase in manufacturing costs.

Mr. McCUMBER's attack on the newspapers is all too evidently a red-herring trail to divert attention from his own rapidly crumbling tariff defenses. Having perpetrated another Schedule K in full view of the public, he sets up a cry of "Stop thief!" and starts full tilt after passersby.

To show that this opinion concerning the censure which has been heaped upon the newspapers of the country by the Senator from Utah [Mr. SMOOT]—

Mr. SMOOT. I deny that.

Mr. ROBINSON (continuing). The Senator from Indiana [Mr. WATSON] and the Senator from North Dakota [Mr. McCUMBER] is not confined to the eastern press or to what may be termed the metropolitan press, to show the resentment at the attitude which those Senators take and the responsibility which they seek to place upon the press of the country for the defeat of Mr. Taft for vindictive reasons, I bring to the attention of the Senate an editorial published in the Portland Oregonian of July 28, 1922, the Portland Oregonian, according to my information, being one of the most prominent western Republican newspapers.

I beg the pardon of my friend the Senator from North Dakota for a word or two that is used in this editorial that perhaps is not in strict conformity to parliamentary rules and is not up to the standard of senatorial dignity, but I am going to read the editorial as a whole, because it is impossible to eliminate any part of the language without destroying the sense of it.

It is headed:

JUST A CLOAKROOM YARN.

The theory of Senator McCUMBER that the Republican Party was driven from power in 1912 through a conspiracy of the American press is as silly as it is novel. The motive of the newspapers, according to McCUMBER, was obviously revenge, for the Congress refused to put newsprint and wood pulp on the free list.

The late defeat of Senator McCUMBER has had a bad effect on him. He ignores the incontrovertible record and attempts to substitute for it a strange yarn emanating in the trifling gossip of the cloakroom. Two men representing the American Newspaper Publishers' Association threatened that the Republican Party would be "driven from power" if it did not accede to their demands, and one of them is said to have promised to make JOE CANNON President if he "stood in" or to destroy him if he did not. These two lobbyists are dead, and it appears opportune for the North Dakota Senator to tell his story.

Mr. CANNON was neither made President nor destroyed; the first could not have been done if it had been attempted, and the second did not occur.

The Republican Party was beaten in 1912 because the Republican Party was split wide open between progressives and regulars. The Roosevelt bolt beat Taft, and Colonel Roosevelt bolted as a consequence of a series of happenings within the party with which wood pulp and the tariff on newsprint had nothing whatever to do. Was Roosevelt the instrument that the American papers used to defeat Taft? Not even McCUMBER will say so. The newspapers which usually supported the Republican Party divided according to their inclinations—more of them, probably, staying with Taft than followed the banner of Roosevelt.

The Ballinger-Pinchot episode, the Payne-Aldrich tariff, the insurgent movement, the Roosevelt-Taft quarrel, and similar episodes split the Republican Party and caused its disastrous defeat in 1912. The truth is well known, and it is strange that anyone, even a Senator, should dispute it.

Mr. President, I think it is clear that notwithstanding the Senator from Indiana and the Senator from North Dakota have attributed the defeat of Mr. Taft to a revengeful spirit on the part of the American newspapers because wood pulp and newsprint paper were not placed on the free list, the elements which entered into and controlled the result in that campaign were entirely distinguishable from any vindictive spirit on the part of the American press. I have renewed this discussion this morning because I am not content to let the declarations of the Senator from Indiana and the Senator from North Dakota, made some days ago, rest without further contradiction.

The Senator from Utah has disclaimed any purpose to impute vindictiveness to the American press. He did, however, quote a declaration by Mr. Norris in implied support of the position taken by the Senator from North Dakota. I can not understand that the statement quoted by the Senator from Utah [Mr. Smoor] could have been injected into the debate for any other purpose than to substantiate in part the theory of the Senator from North Dakota that in virtuous indignation the Finance Committee had refused to be bribed or intimidated by the representatives of the American Newspaper Publishers' Association, and that as a result of that virtuous act the newspapers had turned against the administration and encompassed the defeat of Mr. Taft in his second campaign. I have pointed out the fact that whatever threat was made, according to the statement of the Senator from Indiana, must probably have been made in the first campaign, and that no such results occurred then; and I have also pointed out the fact that notwithstanding the disappointment which American newspaper publishers experienced, and in my judgment rightly experienced, in the failure of Congress to place wood pulp and print paper upon the free list, the Republican newspapers of the Nation went forward as a whole and supported Mr. Taft, notwithstanding there were powerful political inducements and arguments which tended to lead them to the support of Mr. Wilson or Mr. Roosevelt. Mr. Taft, carrying only two States in that campaign—two of the smaller States—had practically the unanimous support of the Republican press of the Nation. Where he lost was that he had no support among the voters of the United States.

Mr. CARAWAY. In other words, Mr. President, everybody but the people was for him.

Mr. ROBINSON. Everybody but the people who voted was for him, and that is the reason he lost by such an overwhelming vote in his second campaign.

It is not just to the newspaper publishers of America to charge them with responsibility for the results which occurred in that campaign, and particularly to ascribe those results to a deliberate spirit of vindictiveness and a determined purpose to accomplish revenge.

The press of the Nation, like the public men of America, must have the confidence of the people of the country if it is to assist in improving the standards of American citizenship and of public service. Nothing is calculated more powerfully to undermine, discredit, and destroy the influence of the newspapers of the United States than to declare that for a corrupt purpose—a selfish purpose, at least—their columns may be used in encompassing the election or defeat of public men, in bringing about the overthrow or the triumph of political parties. The time has come in the United States when men who are interested in the maintenance and perpetuity of the fundamental institutions which underlie this Republic should seek to establish and maintain confidence in the agencies and instrumentalities which under our system of government and society are useful in the formation of public opinion and in the dissemination of information. If the time ever comes when the American people lose confidence in the press of the Nation, if the time ever comes when the people of this country regard the influence of the press as susceptible of purchase and sale it is the beginning of the end of free speech and free press. Charges of that character ought not to be lightly made and they ought not to be made for political purposes. Historical facts, well known, justify the conclusion that while the press of the country was then, as now, in favor of free wood pulp and free newsprint paper, it did not subordinate other issues to that consideration. It did not use its mighty power and overwhelming influence for the political overthrow of the men and the party responsible for the refusal to place wood pulp and print paper on the free list.

In my judgment, the argument of the Senator from Montana is unanswerable. The position of the newspaper publishers of America in favor of free wood pulp and free newsprint paper is grounded in sound economics. No theory has been advanced which justifies the imposition of a duty upon intelligence and the dissemination of information. The industry in this coun-

try can not supply the demand of the publishers. We must look to external sources for a large part of these products which we are consuming in ever-increasing quantities. We ought to recognize the right and the privilege of the men who are connected with this great publishing industry to express and assert, as others express and assert, their opinions on questions of public importance, including the one now under consideration. We ought not to attribute to them, on ill-considered evidence and trivial facts, motives unworthy of American citizenship and conduct sounding in dishonesty.

The time has come when those of us who want this Government to continue to enjoy the confidence of its citizens should build up rather than destroy the influences which made it great and glorious. Just as we are jealous of our own reputations we ought to be jealous of the reputation of the press of America. No consideration should impel the Senate of the United States or its Members to an attitude toward American newspapers such as that implied in the conduct and the statements of the Senator from Indiana [Mr. Watson] and the Senator from North Dakota [Mr. McCumber], impeaching the integrity, the good faith, and the honesty of purpose of the press of the United States, for in spite of all its mistakes, in spite of the passion and prejudice which sometimes control the pens of editors, in spite of the falsehood which sometimes underlies the news published, the press of the United States throughout the history of this country has been and still continues the greatest agency for the enlightenment and the uplifting of the American people. It is a sorry hour for this Government, a sad hour for her people, presaging the destruction of her best institutions, when the press of the Nation becomes corrupt.

I have taken occasion to assert in the most forceful way at my command my difference from the viewpoint expressed by the Senator from Indiana and the Senator from North Dakota.

Mr. WATSON of Indiana. Mr. President, I was considering the unanimous-consent agreement proposed by the Senator from North Carolina when apprised that the Senator from Arkansas was discussing again the wood pulp and print paper question of 1900. Therefore, I was deprived of the pleasure of hearing the first part of the remarks of my friend from Arkansas.

It is very easy, of course, for any of us to be mistaken as to dates. Events in a busy man's life crowd one another very rapidly, and things which occurred 12, 13, and 14 years ago may be somewhat jumbled together in the mind when it comes to making a narrative statement respecting their sequence. All I do know about it is that I did remain in the House until the 4th of March, 1909, and that the Payne bill was formulated before that time. A special session of Congress was called by the President, which met, my recollection is, within two weeks after that time, and the bill was introduced, having been formulated before the Congress convened. Whether or not Mr. Herman Ridder came to me during that discussion or before, I do not recall. I do remember that the Member from Mississippi then, now the Senator from Mississippi [Mr. Williams], did introduce a resolution about the paper business, and I remember that it came to the committee and was voted down. I remember that those gentlemen came here afterwards in great numbers, because they were very much interested in it. I never blamed them for coming. They came just as everybody else does who wants some proposition in a tariff bill or wants some proposition out of a tariff bill, and I think they have a right to come, like everybody else who wants to come and present his interests to the committee or to individual members of the committee.

All I said the previous day was in an effort to throw light on the statements which had been made by the Senator from North Dakota [Mr. McCumber] and the Senator from Utah [Mr. Smoor], and I did say that I took Mr. Ridder around to see the Speaker, which was true, and the conversation as I then narrated it, almost word for word, occurred. I do not know whether it was 9 o'clock in the morning or 4.30 in the afternoon, or whether it was on the 17th of the month or the 29th. I do not know about those details, but I do know that the conversation occurred, and that was the only proposition in which I was interested. I do know that those gentlemen were here, and I do know that they were red hot after free print paper and free wood pulp, and I do know they pursued us all relentlessly, seeking to get it. I never blamed them for that. It was to their interest to do it. They had a perfect right to come and try to get it, and they sought all of us out in the corridors, and talked to us about it repeatedly. That was proper. I did not object to it. They did not get me to vote for it, because I did not believe in it; but that does not make any difference.

It is all right for my friend to rise and defend the newspapers of the country. I do not need to do that. I could not help them if I wanted to, and I could not harm them if I attempted

to. We have here practically the same thing again to be voted on, I think possibly the next item in the tariff bill, chemical wood pulp, which enters very slightly into the manufacture of newsprint. That question is up again, and a lot of Senators will doubtless be guided by what their newspaper friends want to have done. I have no objection to anybody doing that who wants to do it. I am not blaming anybody who wants to do it. I am going to vote for the 5 per cent tariff duty on it because I think it is necessary to sustain that industry in the United States. That is my object in doing it. I am not seeking to injure any newspaper, or to wreak vengeance upon the head of any editor, and all that sort of thing.

Everybody knew at that time that our newspaper friends were anxious for free print paper and free wood pulp. They are just as anxious now for free chemical wood pulp. I do not blame them for that. They say it is to their interest, and I think possibly it would be to their interest if they could have free chemical pulp, because it does enter slightly into the manufacture of newsprint.

As to whether or not the newspapers beat Taft in 1912, I do not know. Many things helped to beat Taft in 1912. They were cumulative disasters. But of course the newspapers had a great deal to do with it, because East and West and North and South very great numbers of them were against him, and they were against him because of Canadian reciprocity, and of course against him because of the great split between Roosevelt and Taft. I am not going into all that.

I only rose for the purpose of saying that while I may be confused as to the time of the conversation between Mr. Ridder and the Speaker, that conversation occurred, and there are other witnesses who know about it. Anybody can go over and ask Mr. Busbey, who was then the Speaker's clerk, who himself used to be an Associated Press reporter, and then afterwards a reporter on some Chicago paper.

Mr. Busbey has been a member of the Gridiron Club for years, and he is a man who I am sure enjoys the confidence of all newspaper reporters. He knows all about that conversation, for he was present and heard it, and other people now living were present and heard it. That is precisely what I rose to narrate, and while I may be somewhat confused as to the time it occurred, I am not confused as to the fact that it did occur, nor am I confused as to what was said, nor am I confused as to what was attempted to be done when it was said. I have no further interest in it, I will say to my good friend from Arkansas.

Mr. HEFLIN. Mr. President, I recall an incident in connection with the presidential election of 1912. A story was told to the effect that the Senator from Indiana [Mr. Watson] was calling upon Mr. Taft at the White House after the election, and that while he was discussing some matter with him word came in that Senator Smoot was in the office of the secretary waiting to see the President, whereupon the Senator from Indiana remarked to the President, "Just think of it! There's REED SMOOT out there walking around with half of your electoral votes in his vest pocket." [Laughter.]

FEDERAL RESERVE BOARD GOVERNOR.

Mr. President, as the time is drawing near for the President of the United States to appoint a governor of the Federal Reserve Board, I desire to submit for the consideration of the Senate, the President, the press, and the country some additional reasons why Governor Harding should not be reappointed. I charged that the governor of the Federal Reserve Board had had the progressive interest rate applied to the agricultural sections of the South and West and had not applied it at all to the other sections of the country.

I hold in my hand a letter written by the governor of the Federal Reserve Bank of Atlanta, in which he acknowledges that they charged a bank in my State 87½ per cent interest. Former Comptroller of the Currency Williams furnished me this valuable document. I made that charge on this floor for more than a year, and I could not get any information on the subject from either the board or the bank of Atlanta as to the correctness or incorrectness of my charge. In the meantime the governor of the Federal Reserve Board was proclaiming that agriculture was in no way being discriminated against. He declared that agriculture had been aided in every way possible, when the real facts show that agriculture was stricken down and practically destroyed by the deflation-policy conduct of Governor Harding.

Mr. President, I have the proof now. A bank in my State furnishing money and credit to farmers at the crop-moving time had the progressive interest rate applied to it by the reserve bank of Atlanta and forced to pay 87½ per cent interest.

Does that look like a fair deal for agriculture? Does that look like aiding agriculture in every way possible?

Mr. ROBINSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator yield to the Senator from Arkansas?

Mr. HEFLIN. I gladly yield to my friend from Arkansas.

Mr. ROBINSON. Of course, everyone knows that an interest rate even approximating 87½ per cent is calculated to prevent rather than to promote business. What was the object of imposing such a rate?

Mr. HEFLIN. The object was to shut off loans, to prevent agriculture from getting money, to force the farmer to sell regardless of market conditions, because the edict had gone out, in a quiet way, to stop loaning money on cotton and live stock and other farm products.

Mr. ROBINSON. Was the rate actually collected or was it just sought to be imposed?

Mr. HEFLIN. It was actually collected, and I criticized the Federal Reserve Board for its brutal and inhuman conduct in this matter until I, with John Skelton Williams, forced the policy to be changed and the money to be refunded. The injury had been done, however, before the money was refunded.

Mr. ROBINSON. How could a bank continue in business and pay that exorbitant rate?

Mr. HEFLIN. It practically had to quit; barely lived through that trying time.

Mr. ROBINSON. What I can not understand is why anyone intrusted with the power of fixing interest rates would impose and justify such a high rate rather than refuse to engage in such a transaction.

Mr. HEFLIN. I set out in the CONGRESSIONAL RECORD on July 27, page 10687, a statement giving the figures on \$691 of a \$110,000 loan. They charged one-half per cent on the first \$691, then 1 per cent on the next \$691, then 1½ per cent on the next \$691, and on the next \$691, 2 per cent, and on up to 87½ per cent on the last \$691 of that \$110,000. That was the progressive interest rate, and John Skelton Williams tried to get the Federal Reserve Board to pass a resolution preventing the banks from charging more than 10 per cent, but Governor Harding and the board refused to do that and insisted on the progressive interest rate, and through its cruel application destroyed business in the South and West by the hundreds of millions of dollars.

Mr. SMOOT. Does the Senator know what was the capital stock of the bank?

Mr. HEFLIN. Twenty-five thousand dollars.

Mr. SMOOT. They were borrowing from the Government four times the amount of their capital stock?

Mr. HEFLIN. Some New York banks and other banks were borrowing ten times the amount of their stock.

Mr. SMOOT. What was the reason why the bank did not go and borrow the money outside? Nobody else was charging that rate.

Mr. HEFLIN. It could not borrow outside. It was already tied up to this bank, and was doing business with it. The Senator knows how that is. After you get tied up to a bank you can not go out somewhere else and borrow.

Mr. SMOOT. Oh, yes; if you have security you can.

Mr. HEFLIN. But their security was being destroyed every day by this deflation process. Cotton was 40 cents a pound, and in a few months it was 10. It was \$200 a bale at the outset, and when the farmer could not get money with which to hold it off the market it went down to \$50 a bale. The Senator can understand that they could not borrow on cotton when what they had was already tied up to that bank. Not only that, but the local banks were being called by the reserve banks and they were forced to sell their Government bonds.

Mr. SMOOT. They certainly did not advance \$100,000 without security.

Mr. HEFLIN. They had good security and they never lost a dollar. They collected the debt and the 87½ per cent on a part of it, and we made them pay that back. The average rate charged was about 40 per cent.

The point is there was no excuse for the high and criminal rate that was charged. It was simply the inhuman execution of a plan deliberately laid to prevent the farmers of the South from getting the money and credit necessary to enable them to hold their cotton until the price would yield a profit.

Mr. SMOOT. I have heard the Senator make the statement a good many times and I have not questioned it at all. The only thing that seems very strange to me is that a bank with any kind of security should pay 87½ per cent interest. I do not understand it. I can not understand it. It must have been virtually in a bankrupt condition even to think of doing such a thing. It was done to save its life, do doubt, but I do not see how a bank could pay 87½ per cent, even to save its life.

Mr. HEFLIN. It must have been in pretty good condition to survive an interest charge of 87½ per cent.

Mr. SMOOT. It was a mighty strong bank if it paid that interest very long in order to live.

Mr. HEFLIN. It was charged long enough to shut this bank off of loans and to frighten other banks by this horrible example. Other banks were charged high and usurious interest rates, and loans on agricultural paper were practically stopped, as they intended they should be.

Now, Mr. President, I want to say on behalf of the governor of the Federal Reserve Bank of Atlanta that he did not at that time want to apply the progressive interest rate. He came here and went before Governor Harding and begged him in August, 1920, to permit the Atlanta bank to abandon the progressive interest rate. He realized how hurtful its application would be to the people in the agricultural section and he came here and requested the governor of the Federal Reserve Board on August 31, 1920, right at the beginning of the cotton picking and cotton marketing season, to allow the Federal Reserve Bank of Atlanta to refuse to apply the progressive interest rate on loans or discounts.

Governor Harding declined to do it. This information comes from the governor of the Federal Reserve Bank of Atlanta, Mr. Wellborn. He says in a letter to Hon. John Skelton Williams that he asked the Federal Reserve Board to let the reserve bank of Atlanta be excused from the application of the progressive interest rate and that the board refused to grant his request.

Mr. SMOOT. Governor Harding had to follow the law. The law requires that the rate of interest shall increase as the amount of borrowing increases based upon their capital.

Mr. HEFLIN. Is that so?

Mr. SMOOT. I think so.

Mr. HEFLIN. I can show to the Senator, as I have done a dozen times on this floor, that a bank in New York borrowed many, many times more than its capital, and they never applied the progressive interest rate to it at all. Six per cent in New York and an interest rate as high as 87½ per cent in Alabama! Is that compliance with the law?

Mr. SMOOT. It may have been on Liberty bonds in New York, I will say to the Senator.

Mr. HEFLIN. We could not borrow at all in Alabama on Liberty bonds.

Mr. SMOOT. Not from the Federal reserve bank?

Mr. HEFLIN. No. We could not get money on Liberty bonds. A gentleman at Eufaula, Ala., went to a bank with a \$1,000 bond and tried to borrow \$100. Ex-Congressman Dent told me that. That is his old home town. He said they stated that they could not loan money on bonds.

Mr. SMOOT. Not to individuals; of course, they could not do that, but I am speaking of the banks, and the Senator was speaking of the banks. They have no right whatever to loan to an individual on Liberty bonds, but they have a right and did loan money on Liberty bonds to the banks. If there is any fault to find with it, it is with the law.

Mr. HEFLIN. The man who had Liberty bonds and wanted to borrow money on them at the bank in order to get money so that he could prevent the forced sale of his cotton at prices below the cost of production simply could not get it. I am telling the Senate what actually occurred.

They refused to loan money on bonds, and bonds were forced out of the hands of people who had struggled hard to buy them and sold for \$80 and \$85 on the \$100. They were forced to sell those bonds because they could not borrow the needed money on them.

Mr. SMOOT. Not banks.

Mr. HEFLIN. Yes; the banks. People in my section could not borrow money on bonds; they could not borrow it in the West; and they had to sacrifice their bonds. Wall Street got those bonds for \$80 and \$85 on the hundred, and on every bond thus forced upon the market they got out of the people of the South and West, under deflation, practically stole \$15 or \$20 on the hundred from patriotic people who bought bonds to help their country win the war.

Mr. President, I want the President of the United States and the country to know that this cruel progressive interest rate was employed in the agricultural sections of the South and West and nowhere else. Other sections suffered because the purchasing power and debt-paying power of the South and West was destroyed. When the governor of the bank that supplies my section cried out against the cruelties of the progressive interest rate, Governor Harding, himself hailing from my State, from that very section, refused to let them abandon that destructive interest rate.

Mr. President, the Senator from Connecticut [Mr. McLEAN] said that Governor Harding prepared this progressive interest amendment and brought it to him and asked him to introduce it. It was in accord with the deflation resolution passed later by the Republican Senate. The Senator from South Carolina [Mr. SMITH], who opposed the progressive interest rate, said that Governor Harding told him they did not intend to apply it to agriculture in the South and West, that they intended to apply it to New York and other cities getting money for speculative purposes. The measure passed. Governor Harding did not have it applied at all to New York and other big cities. I repeat, they applied it only to the agricultural sections of the South and West. When the governor of the bank in Atlanta cried out against its oppressive work, the governor of the Federal Reserve Board, Governor Harding, declined to let him stop applying it to the people of my State and my section. That deflation policy cost the people of my State millions and hundreds of millions of dollars. It cost the cotton producers of Alabama more than \$100,000,000 in 1920. I estimate that it cost my State between \$500,000,000 and \$750,000,000. That is what deflation did in one year for the people that I in part represent. It is a serious matter, and now they are carrying on a propaganda to have Governor Harding reappointed. They started a campaign the other day in one State taking a straw vote on him, and the opposition said, "All right, we will take a straw vote also," and in a little while the suggestion came to the opposition, "Let's drop it." They do not want both sides to be heard. I owe it to the President and to the country to tell just exactly what I know about the disgusting and reprehensible tactics being used to deceive the President and the public about this thing.

Mr. President, I want to call attention to the fact that in the great State of Texas ex-Governor Ferguson ran for the United States Senate and advocated the abolishment of the Federal reserve banking system. Reading from my speech, I am told—I mean the long speech that I made replying to the Senator from Virginia [Mr. GLASS]—he asserted that I was right, but that I wanted it regulated and he wanted to destroy it, to do away with it. I think it is the greatest banking system in the world. I want it run honestly and efficiently so that it will do what we intended it should do—serve continuously the business needs of all the people all the time. He spoke in different places and asked the people in the audience, "How many of you have been ruined financially by deflation; stand up," and the audience was so unanimous in its view that they would stand up like they were receiving the benediction. That man ran second in the senatorial race in the great State of Texas, which has a Federal reserve bank at Dallas. Senators, we established the Federal reserve banking system over the opposition of Wall Street, and we should not permit Wall Street to control or destroy it. Now, Mr. President, there is another thing that I want to mention at this time. I have a newspaper here quoting Mr. Brookhart, the Republican nominee for the United States Senate in Iowa. He was denouncing in unmeasured terms the deadly work of the deflation policy conducted by the board presided over by Governor Harding and saying that Governor Strong, of the Federal Reserve Bank of New York, was the man who inspired it. This situation calls to my mind another matter that I feel justified in mentioning now. A Secretary of the Treasury told Governor Harding that he had a great mind to ask for the resignation of Governor Strong, and, strange to say, he did not. Listen, Senators: Governor Harding, the deflationist, said to that Secretary of the Treasury, "Do not do it. I practically have his resignation in my pocket." That is what Governor Harding told the then Secretary of the Treasury who wanted to call for the New York man's—Governor Strong—resignation. These awful conditions were produced after McAdoo resigned. The then governor of the board told the then Secretary of the Treasury, "Do not do it. I practically have Governor Strong's resignation in my pocket." Did he have it? No. What was he doing? From what has happened he was deliberately deceiving the Secretary of the Treasury. Did Strong resign? Why, certainly not. Who is now governor of the bank in New York, at a salary of \$50,000 a year? This same Governor Strong that Governor Harding said was about to resign.

Why, Mr. Brookhart, the Republican nominee for the Senate in Iowa, the great State of Dilliver and Kenyon and Cummins, said Strong was the inspiring power back of deflation.

What have I said frequently here? I have said that Wall Street inspired and ordered deflation. Why? For the purpose of making hundreds of millions of dollars, even billions, which its speculators did make out of the deflation drive against the agricultural South and West. They did not do it simply to make us suffer. They had no feeling about that. They did it to make many hundreds of millions of dollars. Then those who

profited by deflation write up here and ask some Senators to indorse this man, Governor Harding, for reappointment.

Mr. President, I want to tell the Senate and the country an amusing incident. A State in the Northwest, where they had the bankers in convention assembled to indorse Governor Harding, selected a good old honest banker to bring the indorsement to the Capital and present it to the President. The old fellow brought it here. He called on his Senator. He said, "Here it is." The Senator said, "I will go with you to see the President, but I am not for him for governor of the Federal Reserve Board." The old man looked at him and said, "I am not either."

Is it my duty to disclose these things that the President may know what sort of hypocrisy is being practiced upon him? Bankers are coerced and intimidated into indorsing a man whom they despise, detest, and distrust. That is what is going on. Yet they have a man to journey to the Capital, smile, and present to the President a petition to retain a man whom they do not want reappointed. So I am letting the President know the truth.

Mr. President, outside of those who have made millions out of deflation, nobody wants Governor Harding reappointed. Wherever a man has indorsed him for reappointment, he has either profited by deflation or he has been influenced and coerced against his will by somebody to recommend him.

We have been told here by a Senator, just one, that agriculture was treated fairly. Agriculture is the corner stone on which all other industries rest. I want the President to know exactly how agriculture has been treated. I am going to read a statement from Congressman SWING, a Republican, from the State of California. Here is what he said in the House of Representatives not long ago:

I can not understand how men can continue to deny that the deflation policy adopted by the Federal Reserve Board was not deliberately aimed at the farmers of this country.

I want you Republican Senators to get this statement:

I was present at a meeting of the bankers of southern California, held at El Centro, in my district, in the middle of November, 1920, when W. A. Day, then deputy governor of the Federal Reserve Bank of San Francisco, spoke for the Federal reserve bank and delivered the message which he said he was sent there to deliver. He told the bankers there assembled that they were not to loan to any farmer any money for the purpose of enabling the farmer to hold any of his crops beyond harvest time. If they did he said the Federal reserve bank would refuse to rediscount a single piece of paper taken on such a transaction. He declared that all the farmers should sell all of their crops at harvest time, unless they had money of their own to finance them, as the Federal reserve bank would do nothing toward helping the farmers hold back any part of their crop, no matter what the conditions of the market.

Can you imagine a situation more cruel and desperate than that which confronted the farmers of the country in 1920 and 1921?

God forbid that another distressing time like it shall ever come upon our people.

Senators, do you get that statement from this Republican Member of Congress from the far West? Speaking of what the representative of the Reserve Bank of San Francisco said, Representative COOPER said:

Did the gentleman from California hear that?
Mr. SWING. I did.

Then he goes on to say:

The Federal reserve bank deliberately set out to "bear" the market. They succeeded so well that they broke the market; not only broke the market but broke the farmers as well. We there saw the strange spectacle of the farmer citizens of this country being ruined by being forced to sell their products on a glutted market at less than what it cost to grow them, as a direct result of a policy adopted by their own Government, a Government created to aid them, not to harass them. I say it was criminal; it was damnable for this all-powerful agency of our Government to deliberately crucify the farmers of this country.

Mr. President, that is what I desired to say this morning. I shall give to the Senate and to the country from time to time other information and arguments upon the subject. Let me say, in conclusion, that Governor Harding brought the amendment providing for the progressive interest rate to the Senator from Connecticut [Mr. McLEAN] and asked him to introduce it. Senator McLEAN says that he did. The Senator from South Carolina [Mr. SMITH] and others opposed it, and Governor Harding told them that it would not be applied at all to agriculture; but the fact remains that when it became the law it was applied only to the agricultural sections. When the governor of the Federal reserve bank at Atlanta, serving my section of the country, cried out against it and said that he wanted to get rid of it, Governor Harding and his board refused to permit him to abandon it.

There is not anybody in the South who is in favor of his reappointment, except those who profited by his deadly deflation policy; there is not anybody in the West who is for him,

except those who profited by that policy or those who have been coerced or induced somehow to indorse this man for reappointment. Mr. President, I do not want anyone to say, if by hook or crook this man's name be sent to the Senate for confirmation—and it will not—"You ought to have stated this beforehand; you ought to have let the President know." I am telling the President now; others also have let him know; I am letting him know from time to time in the CONGRESSIONAL RECORD. I have shown here to-day by the letter of the governor of the Federal Reserve Bank of Atlanta that they charged a little bank in my State in the very high tide of the deflation drive, when that little bank was struggling to serve its customers, 87½ per cent interest on a part of its needed loan.

Mr. President, I do not know of, and I challenge the governor of the Federal Reserve Board and every member of the Banking and Currency Committee of the Senate to cite an instance, in all the history of all the world where a Government bank ever charged such an interest rate as was charged a bank in my State which was trying to help the farmers get at least the cost of production for their crops. The Federal reserve banking system was intended to save the people of all sections from just such a situation. When it turned from the proper path, however, and created this condition, and ground these people down and took their substance away, it was changed from a helpful agency to an implement of torture and destruction. That is what we have witnessed. I am the firm friend of the system; I want it preserved; I am trying to help preserve it, to take it out of politics, and out of subservience to Wall Street. I am taking the position that those who conducted that drastic and deadly deflation policy ought now to be condemned and repudiated and not indorsed and rewarded.

The PRESIDING OFFICER (Mr. KENDRICK in the chair). The question is on the committee amendment in paragraph 1300.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	France	Lodge	Pomerene
Brandegee	Glass	McCormick	Ransdell
Broussard	Gooding	McCumber	Robinson
Bursum	Hale	McKinley	Sheppard
Calder	Harrell	McNary	Simmons
Cameron	Harris	Moses	Smoot
Capper	Heflin	Nelson	Spencer
Caraway	Hitchcock	New	Stanfield
Curtis	Jones, Wash.	Newberry	Sterling
Dial	Kellogg	Nicholson	Trammell
du Pont	Kendrick	Norbeck	Walsh, Mont.
Ernst	Keyes	Oddie	Warren
Fernald	Ladd	Pepper	Watson, Ind.
Fletcher	Lenroot	Phipps	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, there is a quorum present. The question is on the committee amendment inserting paragraph 1300.

Mr. SMOOT. I ask that paragraph 1300 be passed over until to-morrow, and that we take up paragraph 1301 for consideration at this time.

Mr. WALSH of Montana. I presume the Senator means in case no Senator is ready to speak on it at this time?

Mr. SMOOT. Certainly. I asked several Senators on the other side, and they did not know of anyone else who wished to speak. If any Senator does desire to speak at this time, I should be glad to have him proceed.

Mr. POMERENE. I did not understand the Senator's request. Was it with respect to paragraph 1300?

Mr. SMOOT. Paragraph 1300. If the Senator from Ohio desires to speak on it we shall be glad to have him do so.

Mr. POMERENE. I am going to speak on it very briefly in the morning, probably not more than five minutes.

Mr. SMOOT. The Senator does not want to proceed now?

Mr. POMERENE. I would a little rather not do so, because there are some matters that I want to get.

The PRESIDING OFFICER. Without objection, paragraph 1300 will be passed over until to-morrow.

The ASSISTANT SECRETARY. Paragraph 1301—

Mr. SMOOT. The committee has no amendment to offer to that paragraph. I thought we had one, but I see that there is not any.

The ASSISTANT SECRETARY. Paragraph 1302. Paper board—

Mr. WALSH of Montana. Mr. President, I should like to remark that I have recently been handed quite a long list of amendments which the committee now proposes to submit to the paragraphs comprising this schedule. I, of course, have had no opportunity to study the paragraphs in the light of the amendments now proposed. However, I observe that most of

them are reductions, or eliminations, and I shall not offer any objection to proceeding with the consideration of the remaining paragraphs.

Mr. SMOOT. I want to say to the Senator that I think in every single case they are reductions.

Mr. WALSH of Montana. Before going into the consideration of these paragraphs in detail, however, I should like to say just a word or two.

Generally the duties proposed here are illustrative of what seems to be an idolatrous kind of sentiment touching these duties. As in the case of many of the paragraphs considered within recent days, there seems to be no occasion whatever for the imposition of duties upon most of the commodities referred to in the schedule—that is to say, the different forms of paper and the manufactures of paper. From anything that I have been able to learn from such study as I have been able to give it, the paper industry of this country is upon a perfectly safe basis, without any kind of menace whatever from foreign competition; so the Tariff Commission informs us with respect to practically every item in the schedule.

Take book paper, for instance, which is dealt with in the first paragraph succeeding that now under consideration—paragraph 1301—or printing paper, as it is called. There is no competition. Let me submit what information we have about that. I read from the tariff survey as follows:

The book-paper industry, being confronted with negligible foreign competition, has no tariff problem. In the calendar year 1920 our imports of book paper amounted only to one-fifth of 1 per cent of domestic production. In the fiscal year 1914, when imports were at their highest, they amounted only to one-third of 1 per cent of domestic production. On the other hand, a substantial export business in book paper was built up during the war. In the calendar year 1919 we exported 8.38 per cent of our domestic book-paper output, in comparison with 1.53 per cent in the fiscal year 1914. In the calendar year 1920 we exported 4.33 per cent of our output.

At page 43 of the same survey the following statement is made:

Inasmuch as our book-paper imports amounted in the calendar years 1918 and 1919 to one-hundredth of 1 per cent and in 1920 to one-fifth of 1 per cent of domestic production, there can hardly be said to be a pressing tariff problem in the book-paper industry. Even in the fiscal year 1914, when imports were at their highest, they amounted only to one-third of 1 per cent of domestic production.

This is characteristic of the reports made with respect to practically every item in the schedule. The paper industry as a whole is not menaced by competition from any source; so that in the consideration of the rates proposed I should like to have that situation understood.

Let me give a little more information concerning book paper, as it is the foundation of most of the rest of the schedule. The exports and imports are given in the summary as follows:

The production in 1914 was 934,979 short tons, valued at \$73,000,000.

The production in 1919 was 1,001,000 short tons, valued at \$153,368,000.

The imports were perfectly negligible and insignificant compared with the production.

In 1918 the total imports were only \$44,445.

In 1919 they were \$58,319.

In 1920, \$493,411.

In 1921, \$191,838.

The exports of book paper in 1914 were 14,301 short tons, valued at \$1,612,370.

In 1918 they were 45,036 short tons, valued at \$7,695,298.

In 1919 exports of book paper amounted to 8 per cent of the domestic production.

In 1920 the proportion fell to 4 per cent and the decrease continued in 1921.

At page 13 of the survey the following information is given—of course, the situation with respect to the principal raw material, wood pulp, has heretofore been discussed, but we are under no disadvantage with respect to the other component parts of book or printing paper. The survey tells us as follows:

Filler (in the form of china clay, talc, or agalite), alum, sizing (usually rosin), and color are the other materials entering into the actual composition of the paper. In 1910 the proportion of these secondary materials used by 38 newsprint mills in the United States amounted to only 5.5 per cent of all materials used; the remainder consisted of wood pulp. Filler is very little used for newsprint paper. A much greater proportion of subsidiary materials as well as a greater variety in the proportions of all materials used appears in book-paper manufacture. In 1916 three eastern book-paper companies used 40.1 per cent soda pulp; 34.9 per cent sulphite; 2.9 per cent waste paper; 19.4 per cent clay, agalite, and talc; 1.7 per cent alum; and 1 per cent rosin. In the same year five Michigan companies used 58.9 per cent waste paper, including a small proportion of rags; 5.7 per cent soda pulp; 21.7 per cent sulphite; 8.2 per cent clay, agalite, and talc; 4 per cent alum; and 1.5 per cent rosin. In the case of the eastern companies one-fifth by weight of the paper manufactured consisted of filler, while in the case of the Michigan companies this proportion was less than one-tenth.

In most cases no difficulty nor tariff problem is involved in securing these materials. Certain manufacturers prefer English china clay to domestic clay, saying that it is so much superior to the domestic clay as to be practically a different product. During the war there were periodic shortages of this commodity, but it is now easily obtainable from England. Our domestic color industry has been developed to a point where we are practically independent of the Germans, although before the war we used to import practically all our colors from Germany. The yellowish color of newspapers after the beginning of the war was due to the lack of German red and blue dyes, which removed the characteristic natural wood color of the unbleached pulp, making it appear white.

Printing paper carries under the bill as it came from the House, and no amendment is made, a duty of one-fourth of 1 cent per pound and 10 per cent ad valorem. The production of book paper has been developing, as shown by these figures. The production increased from 569,212 tons in 1899 to 1,511,968 tons in 1920, and the exports increased from 13,654 tons in 1911 to 76,691 tons in 1919 and 47,845 tons in 1920. Practically the same condition as I have indicated with reference to book or printing paper exists with reference to felt and building papers, with reference to tissue paper, with reference to wall paper, and with reference to paper board, these being the principal items in the schedule.

Mr. SMOOT. Mr. President, just a word in general about this paper schedule.

There is no schedule in the whole of the pending bill where labor cost is such a great percentage of the cost of the finished article as in the pending paper schedule. The raw material of paper, as everybody knows, is a very insignificant part of the cost of the paper. Even in the case of the wood in the forest the greater part of the value of it is in the labor, and every time it is handled from the tree to the finished product the labor is a great part of the cost of the paper. The finer the paper, the greater the percentage of labor cost; and if the Senate will notice when we read these schedules nearly all of them have been reduced, many of them even lower than the House provided, where the valuation was based upon the American price instead of the foreign price.

We passed over the first paragraph of the schedule, chemical wood pulp, and I will not have anything to say about that; I will let others discuss that question. The Senator referred to the great exports of book paper and quoted the exports for the year 1919 and the year 1920. I stood upon the floor of the Senate during those years and begged Senators not to burden the Record with extraneous matter. Upon several occasions I called the Senate's attention to the fact that unless we could get paper from somewhere the CONGRESSIONAL RECORD could not be printed. Your Committee on Printing scoured the country from one end to the other during those years for paper, bought it in small quantities, and paid exorbitant prices for it. There was a demand for paper in South America, in Canada, and everywhere else, and our manufacturers had taken contracts abroad, and they had to deliver. But if the Senator will notice, the exportations of the same paper for 1921 had fallen over 50 per cent, and in the 11 months ending in May, 1922, instead of being 159,000,000 pounds they had fallen to 19,170,000 pounds.

Mr. POMERENE. Mr. President, the Senator has just referred to the difficulty we had in getting the paper with which to print the CONGRESSIONAL RECORD. Would not the tariff on this pulp have just by that much increased the difficulty the committee had in securing the paper?

Mr. SMOOT. I was not discussing the pulp paragraph at all. That has gone over until to-morrow.

Mr. POMERENE. The Senator referred to that subject.

Mr. SMOOT. I simply announced that it was going over until to-morrow. The first amendment, in paragraph 1302, is simply for the purpose of including wall board in that paragraph, to be followed by another amendment in the paragraph which will take care of pulpboard in rolls for use in the manufacture of wall board, on which the rate will be 5 per cent ad valorem.

Mr. WILLIS. Mr. President, I think the Senator has in part answered what I wanted to inquire about. Paragraph 1302 provides a 10 per cent ad valorem duty upon wall board. But the committee has inserted the language, "except pulpboard in rolls, for use in the manufacture of wall board." What is the purpose of that exception?

Mr. SMOOT. I shall ask that that amendment be disagreed to, and then, following the words "ad valorem," in line 4, I shall ask to have inserted the words "pulpboard in rolls, for use in the manufacture of wall board, 5 per cent ad valorem." I think that is what the Senator from Ohio desires to have done, judging from what he has already said to me.

Mr. WILLIS. What reason does the Senator assign for suggesting different rates? The different types of board carry 10 per cent ad valorem. Now the Senator proposes to make the

duty on wall board 5 per cent. What is the reason for the difference?

Mr. SMOOT. The paragraph provides:

Paper board, wall board, and pulpboard, including cardboard, and leather board or compress leather, not laminated, glazed, coated, lined, embossed, printed, decorated, or ornamented in any manner, nor cut into shapes, 10 per cent ad valorem.

That is that class of board, pulpboard. This other is pulpboard in rolls, for use in the manufacture of wall board, and a 5 per cent ad valorem is sufficient on that.

Mr. WILLIS. The Senator regards the other commodities as more in the nature of finished products?

Mr. SMOOT. Yes.

Mr. LENROOT. Mr. President, I would like to ask the Senator the reason for the distinction. A 10 per cent duty is levied upon pulpboard if it is not laminated, and so forth, but if it happens to be in rolls, which is even more expensive, he proposes to reduce the rate to 5 per cent. In other words, pulpboard alone is to carry 10 per cent, but if it happens to be in rolls it is to bear only 5 per cent. Will the Senator explain how the committee arrive at that difference?

Mr. SMOOT. Whenever pulpboard comes in rolls it is not a finished product. It then has to be put into a finished product, and the other items named are virtually finished products, to be used just as they are manufactured, and not used as the pulpboard in rolls will be used.

Mr. LENROOT. That is not necessarily so, because the pulpboard, if not laminated, glazed, coated, lined, or embossed may take an advance or a further process of manufacture, just the same as the pulpboard in rolls.

Mr. SMOOT. It would be cut into lengths and used for a certain purpose. The rolls are rolled out just as fast as the machines can run them, and I have no doubt but that 5 per cent is ample protection for that class of products. I think also that a good many of them are a little finer than the ones used for pulp in rolls.

Mr. WILLIS. I desire to ask the Senator his opinion as to the administrative difficulties. I understand the amendment which he intends to propose provides for a rate on pulpboard in rolls "for use" along certain lines. How is that use to be determined? How are you going to follow it up? Will it not open up the way for rather indiscriminate imports? How is the Senator to tell? If an importer brings in so much, to be used for such and such a purpose, he gets it in under that rate. I do not see how it is workable.

Mr. SMOOT. I do not think there is any question about the administration of it because of the fact that in order to use this pulpboard for the purposes named it has to be thinner than the other board, which is used singly, and is cut into lengths for certain purposes. The question of the administration came up in the committee, and we were advised that there would be no difficulty whatever in the administration if these words were used.

Mr. LENROOT. If pulpboard in rolls is imported, but is not shown to be used for the manufacture of wall board, what rate would it bear?

Mr. SMOOT. Ten per cent; but that which comes in rolls is used for that purpose, and I can not see that there would be any difficulty in the administration of it.

Mr. LENROOT. I asked one of the manufacturers of wall board to give me some figures upon the cost of production in the different stages of manufacture, and I have before me a letter wherein it is stated that the total cost of production in the rolls is 82 per cent of the total cost, and only an additional 21 per cent to make it into the wall board from the rolls. If that were so, I figure out that it would require about 8 per cent relative duty.

Mr. SMOOT. That applies to the very cheapest article, which is pasted together to make the board, and it is the quantity and quality of it which would bring the labor cost up to that high percentage, because it is the very cheapest kind that is made.

Mr. LENROOT. When it goes from the rolls to the wall board, then you have a varying cost of production, of course.

Mr. SMOOT. The reason why the labor percentage is so great in that case is because that is a very cheap article, indeed. In my opening statement I called attention to the fact that in this paragraph the labor costs are higher in proportion to the cost of the goods than in any other schedule of this bill, and the reason is, as I stated, that when the raw material is first touched the labor becomes an exceedingly high percentage of the product that goes into the article manufactured.

Mr. LENROOT. I would like to ask if it is not also true that the Tariff Commission state that the total cost in Canada is considerably lower than in the United States?

Mr. SMOOT. It is in this particular case, because of the fact that their timber is right at the door.

Mr. WILLIS. I understand the Senator will request that the amendment in lines 3 and 4 shall be disagreed to?

Mr. SMOOT. Yes.

Mr. WILLIS. Then, what is the amendment which the Senator proposes?

Mr. SMOOT. After the words "ad valorem" on line 4, to insert the words "pulpboard in rolls, for use in the manufacture of wall board, 5 per cent ad valorem."

Mr. WALSH of Montana. I have not been able to get any satisfactory information about it, and perhaps the Senator from Utah will be able to tell us how pulpboard does come in except in rolls.

Mr. SMOOT. It comes in in sheets. The best quality has to come in in sheets, because of the fact that it is so thick that it can not be rolled.

Mr. WALSH of Montana. Can the Senator tell us what the imports of pulpboard not in rolls amount to?

Mr. SMOOT. I do not think the figures as to that are kept separate in the statistics.

Mr. WALSH of Montana. I find the returns on pulpboard in rolls, and that is all. Apparently that covers all the imports there are, so far as my information goes.

Mr. SMOOT. The pulpboards come in cut into lengths, and they can not be rolled; but where the pulpboard comes in and can be rolled, it is because of the fact that it is so much thinner than the other, and whenever used it is used and cemented together after it comes in in the rolls.

Mr. WALSH of Montana. What information has the Senator as to the imports of pulpboard not in rolls?

Mr. SMOOT. If the Senator will turn to the "Imports of merchandise entering for consumption in the United States" for 1921, on page 41, he will see that the quantity of pressed boards or pressed paper was 168,668 pounds. Then the importations of pulpboard in rolls, not laminated, are next given; then reinforced or cloth-lined paper; then sheathing paper, and so forth. Those are the imports.

Mr. WALSH of Montana. That is not pulpboard at all. I have exactly the same information before me, as to pulpboard in rolls, not laminated. The importations amounted to 1,113,577 pounds in 1921. Then there was also introduced reinforced and cloth-lined paper; there was introduced sheathing paper; but no pulpboard was introduced, so far as I can learn, except pulpboard in rolls.

Mr. SMOOT. If the Senator will refer to Schedule No. 12, prepared by the commission, he will find that the imports of paper board for the calendar year 1921 were 36,887 pounds and of wall board 10,287 pounds. The statistics as to pulpboard are not stated separately. Of leather board and embossed leather 163,240 pounds.

Mr. WALSH of Montana. This is what I find at page 32 of the survey:

Of our paper board imports, only our imports of pulp board in rolls not laminated (board made of wood pulp, not consisting of layers of paper or board pasted together) are of importance.

The rest is not important, whatever there is, if there is any at all.

Mr. SMOOT. If the Senator will look at page 1049 of the Summary of Tariff Information he will find that box board is exactly the same thing, and under the rate of 5 per cent in 1920 there were 5,527,205 pounds imported and in 1921 for nine months there were 4,043,746 pounds imported.

Mr. WALSH of Montana. Yes; there are various kinds of paper board, box board, press board, cardboard, leather board, and all that, and there is also pulpboard in rolls, but I have not any information at all about pulpboard not in rolls. However, it is a matter of no very great consequence and I do not care to consume further time on it. The paragraph as it stands is entirely meaningless to me.

Mr. LENROOT. I would like to call it to the attention of the Senator from Montana that on page 748 the Tariff Commission say that the terms paper board and pulpboard are synonymous. So when we come to the bracket it does cover pulpboard.

Mr. SMOOT. Not only that, but on page 30, where data with reference to consultation are given, it is said:

Box board, common paper, not coated—

And so forth. They are synonymous, of course.

Mr. SHEPPARD. Mr. President, paragraph 1302 of the pending bill subjects the various forms of paper board and building paper to a tariff tax of 10 per cent. The chief use of paper board is in making paper boxes and other containers, and this form of the board carries a rate of 5 per cent in the existing Democratic tariff law. On this item of general necessity, there-

fore, the pending bill doubles the existing duty. Furthermore, the Democratic tariff act now in force places an important type of building paper, to wit, sheathing felt for vessels, and an important type of paper board, to wit, leather board for trunks, suitcases, shoes of inexpensive character, and so forth, on the free list, whereas the pending bill transfers these articles to the taxed list. On one form of paper board, to wit, cardboard, the rate is reduced from the existing rate of 25 per cent to 10 per cent. Besides the purposes above mentioned, paper board is used in bookbinding and printing, in making tags, cartridges, advertising cards and placards, in roofing, in lining walls of buildings, and under carpets and floors to deaden sound.

Paper board is made principally from waste paper, about 80 per cent of its raw material coming from this source. The remainder is drawn from woolen, cotton, and jute waste, old gunny sacks, paper-board cuttings, old rags, cornstalks, straw, and practically anything of fibrous nature.

The value of the output of paper boards in 1914 was \$39,493,174; in 1919, \$124,090,000; of building paper in 1914, \$9,475,733; in 1919, \$17,737,000. Imports have been so small in comparison as hardly to be worth mentioning, totaling \$2,313,940 in 1919, as against a home production of \$141,827,000, or less than 2 per cent. Exports of paper board and straw-board exceeded four and one-half millions in 1919. Thus exports exceed imports, while the total home production outruns imports so far as to make an increase in duty entirely out of question from any standpoint of protection. Be it noted that the duty under discussion applies to paper board before it has been cut into shapes for boxes and other articles, and that additional duties are levied in succeeding stages of manufacture.

Mr. WALSH of Montana. Mr. President, I want to supplement what was said on the subject by the Senator from Texas with the following information on paper board from the Tariff Commission, page 31 of the survey:

The present and potential power of foreign producing nations as competitors in the domestic market is very small, except in the case of wood-pulp test boards made in Canada and strawboards made in Holland and Germany. As shown in the appended table of the world's production of paper boards and the number of mills in the year 1906-7, compiled from an Austrian commercial report, Germany was the only country that came near the United States in paper-board production, but even then German production amounted to only slightly more than a third of ours, the American and German production being, respectively, 685,000 and 247,083 short tons. Since 1907 our production has tripled. While Germany's production of paper board increased to 408,000 tons in 1912, it has been greatly affected by the war. At present there is a serious shortage of raw material in Germany.

I read now from page 17:

There is practically no tariff problem in the American paper-board industry, because this industry is conducted on such a large scale that the output of other nations is unimportant in comparison, and it can supply the domestic market at a price lower than that at which foreign producers can sell in America. The annual production of paper boards in this country is greater than that of any other branch of the paper industry. There are two reasons for the strong position and large scale of the industry. First, on account largely of our immense newspaper publication, we can secure waste paper, the main raw material of paper boards, in greater abundance and cheaper than can other nations. Our comparative independence of wood pulp as a raw material means that Canada has not the advantage of lower cost of production by reason of cheaper raw material that she has in making the wood-pulp papers, such as newsprint and wrapping paper. Second, our industries make use of paper-board boxes, and paper-packing material on a scale unknown to any other country.

Canada can produce paper board made of wood pulp, especially high-grade test board made from sulphate wood pulp, as advantageously as the United States, and exports to us an amount equal to nearly one-fourth our domestic production of wood-pulp boards. This is normally not an injuriously competitive trade, however, for it supplies a deficiency in domestic production. Moreover, wood-pulp boards represent a very small proportion of our total paper-board output. Holland and Germany send us a small amount of strawboard, but ordinarily do not offer serious competition.

Very recently, however, owing mainly to the industrial depression, some American manufacturers have begun to complain of the injurious effect of Canadian wood-pulp imports on the domestic market, and ask for a tariff which shall provide the same protection against Canadian paper board as the Canadian tariff provides against American paper board. Likewise there are complaints of the depressing effect Dutch and German strawboard offerings are exerting on American strawboard prices.

The American paper-board industry is, nevertheless, firmly and strongly established in a position where in normal times it need not fear the world's competition, and in times of depression competition only from boards made direct from such raw material as wood pulp and straw is likely to be disturbing.

Paper boards (as also newsprint paper) present a contrast to most other kinds of paper in that they do not face potential competition due to reconstruction of European pre-war industrial conditions and export trade. The war has had only a very indirect effect on conditions of competition in paper-board manufacture in this country.

The paper-board industry of the United States is highly organized. It is in the hands of comparatively few concerns, each one being necessarily large and highly capitalized, due to the great size and expense of machinery and plant involved.

We export probably somewhat more than 4 per cent and import about 2 per cent of domestic production.

At page 35 of the survey there is the following:

The American manufacturer normally stands unassailable in the production of almost all kinds of paper boards. The paper-board industry of the United States, on account of the immense supply of raw material available to it in the form of waste paper and the immense domestic market for its products, has been developed on a scale to which that of no other nation can even approach. Conditions are considerably different from those obtaining in the newsprint industry, where wood pulp, the raw material, is available cheaper and in greater quantities to Canada than to the United States. By reason partly of our large imports of newsprint from Canada, we are able to be practically independent of her and other countries for paper board, for our domestic supply of waste paper thereby becomes practically assured.

Yet in the face of these facts, as said by the Senator from Texas, it is proposed to increase the rate 100 per cent upon this commodity.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 168, line 3, after the words "provided for," the committee proposes to insert "except pulp-board in rolls, for use in the manufacture of wall board."

Mr. SMOOT. I ask that the amendment be disagreed to.

The amendment was rejected.

Mr. SMOOT. I now offer the following amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated. The READING CLERK. On page 168, line 4, after the words "ad valorem," insert a semicolon and the following:

pulpboard in rolls, for use in the manufacture of wall board, 5 per cent ad valorem.

The amendment was agreed to.

Mr. LENROOT. I will ask the Senator from Utah whether he desires at this time to disagree to the amendment putting that item upon the free list?

Mr. SMOOT. I think perhaps we had better do it later.

Mr. LENROOT. We have been doing that at the time.

Mr. SMOOT. I wish that it may go over, because we have passed over chemical wood pulp. We can do it at the time we decide on chemical wood pulp.

Mr. LENROOT. Very well.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. The next amendment is, on page 168, line 12, in paragraph 1303, where the committee proposes to strike out "15" and insert "25," so as to read "25 per cent ad valorem."

Mr. McCUMBER. I wish to withdraw the committee amendment in line 12.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. McCUMBER. I now move, on page 168, in line 12, to strike out "1½ cents per pound and 15," and to insert in lieu thereof "20," so as to read:

PAR. 1303. Filter masse of filter stock, composed wholly or in part of wood pulp, wood flour, cotton, or other vegetable fiber, 20 per cent ad valorem.

Mr. WALSH of Montana. Can the Senator advise us how that rate compares with the rate in the present law?

Mr. SMOOT. It is the same exactly.

Mr. WALSH of Montana. That relates to filter masse.

Mr. SMOOT. It makes the rate the same as at present.

Mr. WALSH of Montana. I have no objection to that.

Mr. SHEPPARD. What is the effect of that rate as compared with the existing rate?

Mr. McCUMBER. It is the existing rate.

Mr. SHEPPARD. In other words, the committee have decided to offer no increase in the existing rate on the article covered by this paragraph?

Mr. McCUMBER. That is correct.

Mr. SHEPPARD. I think the committee acted very wisely.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

Mr. McCUMBER. On page 168, in line 15, I move to substitute "25" for "30" as proposed by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 168, in line 15, in lieu of the amendment proposed by the committee which is withdrawn, insert "25," so as to read:

Indurated fiber ware, masks composed of paper, pulp or papier-mâché, manufactures of pulp, and manufactures of papier-mâché, not specially provided for, 25 per cent ad valorem.

Mr. SHEPPARD. Is that the existing rate?

Mr. McCUMBER. The amendment would leave it as provided in existing law.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee as modified.

The amendment as modified was agreed to.

The next amendment of the Committee on Finance was in paragraph 1304, on page 168, line 17, after the word "copying," to strike out "paper and all papers not specially provided for in this section," and to insert "paper, india and bible paper, condenser paper, carbon paper, coated or uncoated, bibulous paper, pottery paper, tissue paper for waxing, and all paper similar to any of the foregoing, not specially provided for, colored or uncolored, white or printed," so as to read:

PAR. 1304. Papers commonly known as tissue paper, stereotype paper, and copying paper, india and bible paper, condenser paper, carbon paper, coated or uncoated, bibulous paper, pottery paper, tissue paper for waxing, and all paper similar to any of the foregoing, not specially provided for, colored or uncolored, white or printed, weighing not over 8 pounds to the ream of 480 sheets on the basis of 20 by 30 inches, and whether in reams or any other form, 6 cents per pound and 15 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. Mr. President, I should like to have some explanation of the amendment from the committee.

Mr. SMOOT. Mr. President, there are several amendments which are to be offered by the committee to this paragraph. The first amendment is simply for the purpose of designating the different kinds of paper referred to so that hereafter we may have the statistics relative thereto in better form than we have them to-day. The amendment which is to be proposed by the committee on page 168, line 23, striking out the word "eight" before the word "pounds" and inserting in lieu thereof the word "six" will have the effect of eliminating paper which weighs over 6 pounds from the bracket which imposes a duty of 6 cents per pound and 15 per cent ad valorem. The House of Representatives inserted 8 pounds with no other purpose than to include coarser or heavier weight paper at the higher specific duty. Almost all the tissue and other light-weight papers—that is, the real fine papers—weigh less than 6 pounds to the ream. If the weight to be included in this rate of duty be increased from 6 pounds to 8 pounds, then it would let in a large quantity of paper weighing between 6 pounds and 8 pounds, and make necessary the imposition of the higher rate of duty. The committee thought that that was unwise.

The weight fixed in the Payne-Aldrich law was only 6 pounds. The effect of the proposed amendment, of course, will be to decrease the rate of duty on certain kinds of paper.

In the next clause the House of Representatives fixed the weight between 8 pounds and 12½ pounds and provided a rate of duty of 5 cents per pound and 15 per cent ad valorem. The Committee on Finance propose to amend that by reducing the maximum weight to 10 pounds. If the House provision fixing the maximum weight at 12½ pounds a ream be adopted instead of the Senate committee amendment proposing to fix the weight at 10 pounds, there are large quantities of paper that would fall within the 5-cent specific rate instead of the 4-cent bracket below. Therefore your committee has felt that 10 pounds should be the limit of weight in the second bracket, therefore reducing the rate of duty in that case.

As to the next provision, I will say to the Senator that will be stricken out and there will be a new provision proposed in the way of an amendment to take care of bibulous paper, which the House has not inserted here, but intended should fall under a very high rate, making the equivalent ad valorem duty on it, according to to-day's prices, about 42 per cent. The committee has decided to insert a special bracket for that particular class of paper, on account of its being cheap as compared with the other high-priced papers which I have mentioned.

If the Senator from Montana so desires, I will call his attention to the amendment now—I think he has a copy of it before him—or I will wait until we get to it, and then I can tell the Senator just what it proposes.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

Mr. WALSH of Montana. My understanding now is that the changes proposed by the committee throw a greater quantity of material into the low dutiable brackets.

Mr. SMOOT. That is the result of the changes proposed.

Mr. WALSH of Montana. That is very gratifying; indeed, the action of the committee with respect to this entire paragraph is pleasing. From the information I have before me tissue paper bears a rate of 30 per cent under the present law, and the rate proposed in the bill is a slight reduction of the rate in the present law. The rate in the Underwood law was altogether too high, as shown by its actual operation. The imports of tissue paper into this country in 1919 amounted only to

\$316,263, while our exports amounted to \$2,056,670, with a production in this country of \$40,696,000.

Mr. SMOOT. Mr. President, I want to call the Senator's attention to the fact that these changes are made for several reasons, one reason, which I did not mention, being that the price of paper has decreased 33½ per cent in the last few months, and, of course, the ad valorem duties upon those papers would not afford the protection which they would have afforded three or four months ago. Yet we have cut the rates here in some cases even below the existing law.

Mr. WALSH of Montana. But the importations seem to be constantly diminishing. As I have advised the Senate, the importations in 1919 amounted to \$316,263; in 1920 to \$377,222; and for the nine months of 1921 the importations were only \$34,977; so that it may be said that there are practically no importations at all under existing law and consequently the duty ought to be reduced.

Mr. SMOOT. I thought that we had really arranged this paragraph in such a way that not even a Democrat would object to it; I did not anticipate anyone would object to it.

Mr. WALSH of Montana. I am much gratified at the action the committee has taken.

Mr. SHEPPARD. Mr. President, is it not a fact that the paragraph represents an increase in the rate on crêpe paper and filtering paper?

Mr. SMOOT. We have taken filtering paper out of this paragraph and put it in paragraph 1309.

Mr. SHEPPARD. What about crêpe papers? In line 8, page 169, a duty of 6 cents a pound and 15 per cent ad valorem is proposed. Does not that represent a distinct increase over the existing rate of 30 per cent ad valorem?

Mr. SMOOT. As to some types of paper it does represent an increase, but as to others it does not represent an increase.

Mr. SHEPPARD. From the figures handed me by one of the experts it appears that the ad valorem increase represented by the duties on crêpe paper and filtering paper is from 42 to 56 per cent over the existing rates.

Mr. SMOOT. We have taken filtering paper out of paragraph 1304, so that, instead of falling under the bracket requiring a rate of 6 cents a pound, it will fall in paragraph 1309. As I have already said as to crêpe paper, we can not tell just what the importations have been, because the statistics have covered not only crêpe paper but also filtering paper. So far as filtering paper is concerned, however, it makes very little difference as to what rate is imposed, because the duty is levied entirely for revenue. France makes the filtering paper that is generally used and ships it all over the world. We have been unable to make it. The only other country which makes it at all, so far as I know, is England, which produces a small quantity of it, and yet England imports filtering paper from France, for the French have some process of manufacturing that no one else has been able to perfect, and the French filtering paper is better than that manufactured anywhere else in the world. No matter whether the duty were 1 cent or whether it were 5 cents, the paper would be imported into this country.

Mr. SHEPPARD. I am not speaking of filtering paper now; I am referring to crêpe paper. The proposed increase in the rates on crêpe paper is without justification. It is to be regretted that the committee did not restore the rates on crêpe paper when they restored the existing rates on the other qualities of paper covered by this paragraph. The imports of all kinds of paper covered by this paragraph are insignificantly small, being exceeded many times by the exports. Canada relies upon us for a large portion of her supply, and we continue to furnish an ample supply for all our domestic needs and to export substantial quantities all over the world.

Mr. SMOOT. Mr. President, just for the record, I wish to say to the Senator that crêpe paper is an ordinary paper with a rather strong fiber and it is run through rolls to crimp it and it is used entirely for decorative purposes. So I can not see any harm in the rate which we have provided upon crêpe paper.

Mr. WALSH of Montana. Mr. President, let me inquire of the Senator, inasmuch as these two qualities of paper have always been combined, are combined in the reports, and have been thrown together in previous tariff acts, why does not the Senator transfer crêpe paper to another paragraph, as has been done in the case of filtering paper?

Mr. SMOOT. The House separated the two, and the committee thought that it was just as well for statistical purposes to have them separated. Filtering paper is hardly the class of paper that falls in this bracket. So the House took it out and put it in paragraph 1309, with a rate of 5 cents instead of 6 cents. Those interested in the manufacture, such as it is, of filtering paper in this country asked that it be put in this para-

graph with no other purpose than to have a duty of 6 cents a pound imposed instead of 5 cents.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. In line 23 the committee proposes to strike out "8" and insert "6."

The PRESIDENT pro tempore. The amendment proposed by the Senator from North Dakota in behalf of the committee will be stated.

The READING CLERK. On page 168, line 23, it is proposed to strike out "8" and insert "6," so that it will read "not over 6 pounds to the ream."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

Mr. McCUMBER. On line 2, page 169, I move, on behalf of the committee, to strike out "8" and insert "6."

The PRESIDENT pro tempore. The Chair calls the attention of the Senator from North Dakota to the fact that there is an amendment preceding that point. The Secretary will state the amendment.

The READING CLERK. On page 169, line 2, before the word "weighing" it is proposed to strike out "if."

The amendment was agreed to.

The READING CLERK. It is now proposed by the Senator from North Dakota, on page 169, line 2, after the word "over," to strike out "8" and insert "6," so as to read "weighing over 6 pounds."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

The READING CLERK. On the same page, line 4, after the words "ad valorem"—

Mr. McCUMBER. On page 169, line 3, I move to strike out "12½" and insert in lieu thereof "10."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 169, line 3, it is proposed to strike out "12½" and insert "10," so as to read:

Weighing over 6 pounds and less than 10 pounds to the ream—

And so forth.

The amendment was agreed to.

Mr. McCUMBER. As there have been some changes here, I will substitute for the first part of the next amendment as printed in the bill the following:

On page 169, lines 4 and 5, strike out "weighing over 12½" and insert in lieu thereof "india and bible paper weighing over 10."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. On page 169, lines 4 and 5, in the committee amendment, it is proposed to strike out "weighing over 12½" and to insert in lieu thereof "india and bible paper weighing over 10," so that, if amended, the committee amendment will read:

India and bible paper weighing over 10 pounds and less than 18 pounds to the ream, 4 cents per pound and 15 per cent ad valorem.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McCUMBER. On page 169, line 7, I ask that the committee amendment be rejected.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 169, line 7, after the words "crêpe paper," it is proposed to insert "and filtering paper."

The amendment was rejected.

Mr. McCUMBER. On line 14, after the word "pound," I move to add "and 15 per cent ad valorem."

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. In paragraph 1305, page 169, line 14, after the word "pound" and before the semicolon, it is proposed to insert "and 15 per cent ad valorem," so as to read:

Papers with coated surface or surfaces, not specially provided for, 5 cents per pound and 15 per cent ad valorem.

The amendment was agreed to.

The READING CLERK. On line 18 the committee proposes to strike out "gelatin" and insert "gelatin, linseed-oil cement."

Mr. SHEPPARD. Mr. President, what is that amendment?

The PRESIDENT pro tempore. The amendment is in line 18 on page 169.

Mr. SHEPPARD. But what is the amendment?

The READING CLERK. On line 18 it is proposed to strike out "gelatin" and insert "gelatin, linseed-oil cement," so as to read:

And papers wholly or partly covered with metal or its solutions (except as herein provided), or with gelatin, linseed-oil cement, or flock, 5 cents per pound—

And so forth.

Mr. SMOOT. It is simply adding linseed-oil cement; that is all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask that the Senate reject the committee amendment on line 19.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 169, line 19, the committee proposes to strike out "15" and insert "20," so as to read:

Five cents per pound and 20 per cent ad valorem.

The amendment was rejected.

Mr. McCUMBER. On page 170, line 3, I move to strike out "20" and insert in lieu thereof "15."

The PRESIDENT pro tempore. The amendment as modified will be stated.

The READING CLERK. On page 170, line 3, it is proposed to strike out "17" and insert "15," so as to read:

Papers, including wrapping paper, with the surface or surfaces wholly or partly decorated or covered with a design, fancy effect, pattern, or character, except designs, fancy effects, patterns, or characters produced on a paper machine without attachments, or produced by lithographic process, 4½ cents per pound, and in addition thereto, if embossed, or printed otherwise than lithographically, or wholly or partly covered with metal or its solutions, or with gelatin or flock, 15 per cent ad valorem.

The amendment as modified was agreed to.

The READING CLERK. On page 170, line 8, it is proposed to strike out "17" and insert "25."

Mr. McCUMBER. I move to substitute "15" for "25."

The READING CLERK. It is proposed to strike out "17" and to insert "15," so as to read:

Provided, That paper wholly or partly covered with metal or its solutions, and weighing less than 15 pounds per ream of 480 sheets, on the basis of 20 by 25 inches, shall pay a duty of 5 cents per pound and 15 per cent ad valorem.

Mr. LENROOT. Mr. President, I want to ask the chairman of the committee a question. I have no familiarity with this schedule, and I am just curious to know how it came about that the rate of 25 per cent was reported by the committee, and now it is reduced to 15 per cent.

Mr. SMOOT. I will say to the Senator that these papers have already been reduced in price 33½ per cent since the bill was reported to the Senate.

Mr. LENROOT. I wanted that information.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The READING CLERK. On the same page, line 9, it is proposed to strike out "including decalcomania paper not printed" and to insert "not specially provided for," so as to read:

Gummed papers, not specially provided for, 5 cents per pound.

Mr. McCUMBER. I wish to modify that amendment by inserting on line 10, after the word "for" and the comma, the words "including simplex decalcomania paper not printed."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The READING CLERK. On line 11 it is proposed to strike out "17" and insert "20," so as to read:

Cloth lined or reinforced paper, 5 cents per pound and 20 per cent ad valorem.

Mr. McCUMBER. I wish to substitute "15" for "20," on line 11.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On line 18 it is proposed to strike out "13" and insert "25," so as to read:

Papers with paraffin or wax-coated surface or surfaces, vegetable parchment paper, grease-proof and imitation parchment papers which have been supercalendered and rendered transparent or partially so, by whatever name known, all other grease-proof and imitation parchment paper, not specially provided for, by whatever name known, 3 cents per pound and 25 per cent ad valorem.

Mr. McCUMBER. I ask to strike out "25" and insert in lieu thereof "15."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment as modified.

The amendment as modified was agreed to.

The READING CLERK. On page 171, line 1, it is proposed to strike out "20" and insert "35," so as to read:

Bags, printed matter other than lithographic, and all other articles, composed wholly or in chief value of any of the foregoing papers, not specially provided for, and all boxes of paper or papier-mâché or wood covered or lined with any of the foregoing papers or lithographed paper or covered or lined with cotton or other vegetable fiber, 5 cents per pound and 35 per cent ad valorem.

Mr. McCUMBER. I ask that the Senate reject the committee amendment on line 1.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The READING CLERK. On lines 3 and 4 it is proposed to strike out "or solar printing processes" and insert "processes by using solar or artificial light," so as to read:

Plain basic paper for albumenizing, sensitizing, baryta coating, or for photographic processes by using solar or artificial light—

And so forth.

The amendment was agreed to.

The READING CLERK. On line 5 it is proposed to strike out "15" and insert "20," so as to read:

Three cents per pound and 20 per cent ad valorem.

Mr. McCUMBER. I ask that the Senate reject the committee amendment on line 5.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

Mr. McCUMBER. I also ask that the Senate reject the committee amendment on line 7.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 171, line 7, it is proposed to strike out "20" and insert "25," so as to read:

Albumenized or sensitized paper or paper otherwise surface coated for photographic purposes, 3 cents per pound and 25 per cent ad valorem.

The amendment was rejected.

The READING CLERK. In line 10, it is proposed to strike out "plates, 30" and insert "plates or stones, 65," so as to read:

Wet transfer paper or paper prepared wholly with glycerin or glycerin combined with other materials, containing the imprints taken from lithographic plates or stones, 65 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, I should like to learn from the committee why they felt justified in proposing an increase of over 100 per cent in this duty.

Mr. McCUMBER. This relates to wet transfer paper. The stones are cut in Germany. The transfer papers are made therefrom and brought over to this country. The reports show a requirement of about double the amount of duty which we have placed upon them. They take the place of the stonecutting which is done in this country; and therefore the committee, after a very full hearing, considered that 65 per cent was the least it could give as a protective duty.

Mr. SHEPPARD. Mr. President, paragraph 1305 of the Fordney-McCumber bill deals with surface-coated, lined, waxed, gummed, and decorated papers.

Surface-coated papers are used for printing half tones, for covering boxes, and for a number of fancy and decorative purposes.

Gummed paper is used in making stickers, labels, stamps, seals, and so forth.

Waxed paper is used for wrapping and preserving bread, cake, pie, food products in general, drugs, flowers, and so forth.

One form of gummed paper is called decalcomania paper and is used in placing colored designs on glassware, porcelain, marble, and so forth.

Reinforced paper is lined with cloth or string and is used for covering cases of goods shipped on flat cars, machinery shipped in crates, lining cases, and in merchandise shipments of many kinds. This reinforced paper makes a durable drawing paper for draftsmen and for children's books of various types.

Vegetable parchment paper is also included in the paragraph and is made from pulp treated with sulphuric acid. It is grease proof, waterproof, translucent, slightly transparent, and is used for drawing, bookbinding, cork covers for medicine bottles, filtering sugar, refining gutta-percha, covering for greasy substances, and wrapping for various food products.

Vulcanized paper is also embraced in this paragraph. It is a form of vegetable parchment but is treated with zinc chloride

instead of sulphuric acid and is used in making trunks, tubs, waste baskets, trucks, and so forth.

An imitation parchment, semigrease proof but not waterproof, is also embodied in this paragraph. It has many of the characteristics of the real parchment and is used as a wrapper for bottles and boxes through which the label may be seen, the transparent material for window envelopes, and sanitary protectors for telephone receivers.

Photographic and blue-print paper and wet transfer paper, a coated paper used in placing designs on lithographic plates, are also covered by this paragraph.

Exports of these articles amounted to more than \$16,000,000 in 1920, while imports did not reach more than one-seventh or one-eighth of that figure. While exact figures of home production are not available, it is certain that they run into the tens of millions. Evidently the home industry is permanently buttressed against outside attack, and the raise in the tariff rates on these articles in paragraph 1305 is without justification. This paragraph increases the duty on autographic transfer paper, for instance, from 25 per cent, the rate fixed by the present law, to 65 per cent ad valorem. The existing Democratic rates for all these articles range from 25 to 40 per cent. The pending paragraph changes these to rates partly specific and partly ad valorem, an increase ranging from 12 to 100 per cent, with the exception of coated-surface papers not specially provided for and papers containing decorations, fancy effects, patterns, designs, and so forth, not produced on a paper machine or lithographed. On these last-named articles there is a reduction from 35 per cent in the existing tariff law to 17 or 18 per cent. On the whole, the paragraph makes increases which are entirely without any basis in fact or in ethics.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, the argument made by the Senator from Texas may be illustrated by the case of parchment paper, on which the rate of 25 per cent under the existing law is increased to the equivalent of 34.6 per cent in the bill before us.

Mr. SMOOT. Is the Senator speaking of wet transfer paper?

Mr. WALSH of Montana. No; I am talking about the paragraph generally, and illustrating its tendencies by the item of parchment paper. On parchment paper, as I have indicated, the duty is increased from 25 per cent to 34.6 per cent, yet the Tariff Commission tells us that imports of parchment paper in the calendar year 1920 amounted to only seventy-seven one-hundredths of 1 per cent of the domestic production. In other words, the present rate of 25 per cent is an embargo rate, and yet the rate is proposed to be increased by something like 34½ per cent.

Mr. SMOOT. Just for the record, Mr. President, I want to say to the Senator that that rate has been reduced from 3 cents a pound and 25 per cent ad valorem to 3 cents a pound and 15 per cent ad valorem. The remarks of the Senator are based on the rate reported to the Senate committee in the first place, which would be reduced by 10 per cent.

Mr. SHEPPARD. It still involves an increase, however.

Mr. SMOOT. Not with the 3 cents a pound and 15 per cent ad valorem. Figured on the prices of to-day that makes it the same as the existing law.

Mr. SHEPPARD. As I figure it, while the amendment suggested does reduce the rate in the bill as reported, the new rate still represents in the main a substantial increase over the existing rate.

Mr. SMOOT. I can not agree with the Senator. The only increase is in the case of the wet transfer paper. There is an increase in that, and I am quite sure the Senator will not object to that, for this reason: Let us take any large firm in the United States which issues, we will say, Christmas calendars. They have the stone cut in Germany, and all the artistic work is done in Germany. In Germany they take a wet transfer sheet from that stone and send that wet transfer sheet to the United States, where they can print a million copies, if they want to, from that transfer sheet. I think the figures of importations show that the value of those was only \$16,000. Every artist in the United States, either plate or stone, is at a disadvantage in every way, because the labor is done over there against his labor here. All they have to do is to get a wet transfer sheet and ship it over here and the whole work is done. It is to protect the high, skilled labor which cuts the lithographic stone or the steel plate that this rate is imposed.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

DEATH OF SENATOR CROW.

Mr. PEPPER. Mr. President, I rise to announce to the Senate the death of Hon. WILLIAM E. CROW, late the senior Senator from Pennsylvania. Senator Crow died at his home in Uniontown, in that State, at 10 minutes of 11 this morning.

I venture to believe, Mr. President, that by no Senator was membership in this body more highly prized than by Senator Crow. His long and tragic illness prevented him from rendering to the country and to the Senate the service which he was so well qualified to render. He fought manfully, sir, to regain his health and strength to the end that he might return to his post of duty. It was decreed otherwise, and he has entered into his rest.

I accordingly submit, sir, the following resolutions and ask for their immediate consideration.

The PRESIDENT pro tempore. The Secretary will read the resolutions.

The resolutions (S. Res. 329) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Hon. WILLIAM E. CROW, late a Senator from the State of Pennsylvania.

Resolved, That a committee of eight Senators be appointed by the President pro tempore to attend the funeral.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDENT pro tempore appointed as the committee under the second resolution Mr. PEPPER, Mr. ROBINSON, Mr. SPENCER, Mr. TRAMMELL, Mr. DIAL, Mr. HARRIS, Mr. ERNST, and Mr. NORBECK.

Mr. PEPPER. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate do now adjourn.

The motion was unanimously agreed to, and (at 2 o'clock and 53 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 3, 1922, at 12 o'clock meridian.

SENATE.

THURSDAY, August 3, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, in Thee we live and move and have our being. We would bear before Thee this morning a thrice grief-stricken State, and ask Thee to look upon that great Commonwealth in its present sorrow, but especially bear, we beseech Thee, upon Thy gracious heart the widow and the orphan. Be the widow's God and the Father of the fatherless. So help us each to understand that as the days multiply and the duties come and go we are under supreme obligation to the God who continues us in health and strength. May we bear nobly and faithfully the tasks committed to us. May we serve Thee with full purpose of soul. To our land in its present complexities of anxiety we beseech Thine own guidance and that righteousness may exalt the Nation. To our President and all related to him as his official family may Thy blessings be imparted. Hear and help us till the day is done and the shadows flee away. We ask in Jesus Christ's name. Amen.

THE JOURNAL.

On request of Mr. LODGE, and by unanimous consent, the reading of the Journal of the proceedings of the legislative day of Thursday, April 20, 1922, was dispensed with and the Journal was approved.

ABANDONED COTTON ACREAGE AND BOLL-WEEVIL RAVAGES (S. DOC. NO. 237).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to Senate Resolutions 319 and 320, the supplementary cotton report published by the department in connection with its August 1 cotton condition report, showing the opinion of the State commissioners of agriculture and agricultural agents of the various counties in the cotton-growing States of the percentage of abandoned cotton acreage up to July 1, 1922, and the percentage of cotton acreage infested by the boll weevil and the estimated damage to the crop caused by the weevil up to July 25, by States, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

LABOR UNIONS AND THE TARIFF.

Mr. CALDER. Mr. President, I ask unanimous consent to have printed in the RECORD, in the usual RECORD type, and referred to the Committee on Finance a brief statement recently

published in the press, prepared by the Senator from Connecticut [Mr. McLEAN], which contains a list of labor organizations and representatives of the American Federation of Labor which have petitioned the President and Congress in support of the pending tariff measure.

There being no objection, the statement was referred to the Committee on Finance and ordered to be printed in the RECORD in 8-point type, as follows:

"Ten international labor unions and over 300 individual labor unions from all parts of the United States have petitioned Congress to speed the enactment of the pending tariff bill. This does not include the thousands of petitions which individual Members of the Senate have received from employees of factories or shop committees. This is almost entirely the voice of union labor.

"Despite the statements made and constantly repeated that there is no sentiment in the country for the passage of a tariff bill at this time, the following partial list of labor organizations which have petitioned Congress will prove to anyone who wishes to be fair and face the facts that the great majority of workers in the United States, men and women producers, want this tariff bill.

"In a recent letter to President Harding and members of the Senate Finance Committee 10 international brotherhoods said:

"Representing thousands of skilled American wage earners, a large percentage of whom served their country on the blood-stained fields of Europe, and who on their return to their homes have found it impossible to obtain employment, we again reiterate our desire for the enactment of laws by Congress that will adequately protect all wage earners of our country against the loss of employment through any industrial invasion on the part of the products of any other nation. We believe that any fair-minded person will admit that thousands of our American workmen are idle to-day solely because of the increase in the importations of merchandise from foreign countries."

"This petition was signed by the—
International Brotherhood of Bookbinders.

"American Flint Glass Workers' Union.

"United Hatters of North America.

"United Textile Workers of America.

"American Wire Weavers' Protective Association.

"International Union of Steam and Operating Engineers.

"International Union of Leather Workers.

"National Print Cutters' Association.

"Painters, Paper Hangers, and Decorators.

"Steel and Copper Plate Engravers.

"The Republican majority in the Senate has been struggling since April to pass a protective tariff in the interest of American workers, but progress has been slow because of a protracted Democratic filibuster and a campaign of misrepresentation by the importing interests, who are flooding the country with false statements about the tariff and the cost of living.

"The Republican majority, however, intends to fight the opposition no matter how long it takes, because we are determined to pass the Fordney-McCumber bill before Congress adjourns. The United States can not be prosperous unless the producers have work and can prosper, and the petitions which have been received from labor shows that the working men and women of the country are aroused to the danger and demand a protective tariff. If Congress legislates to make it possible for the people of this country who want to work to find profitable employment against any kind of foreign competition, every consumer will benefit by a wide distribution of prosperity.

"According to reports from many sections of the country the tariff delay here is holding up a return to prosperity. No one recognizes this more than I do, and for this reason I wish to state to the people of Connecticut and the country that the Republican Party is not responsible for the protracted debates in the Senate by those Democrats who think that by talking they can pull the wool over the eyes of the workers of the country and make them think they do not need a tariff.

"The following partial list of labor organizations shows that labor has not been fooled by the Democratic filibuster:

LABOR.

"American Federation of Labor, resolution passed at Buffalo, 1917.

"American Flint Glass Workers' Union of North America, Local No. 44, Vineland, N. J.

"American Flint Glass Workers' Union, No. 13, Bellaire, Ohio.

"American Flint Glass Workers' Union, No. 34, Bellaire, Ohio.

"American Flint Glass Workers' Union, Toledo, Ohio, and 182 other flint glass workers' unions.

"Amalgamated Association of Steel, Iron, and Tin Workers, No. 83, Yorkville, Ohio.